Friday January 22 1982



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GENERAL

Fairbairn resigns after Fine row

Southish Solicitor General Nicholas Kataliaira resigned

Niciolas Catalaira resigned after a Commons inproay on his handling of a case in which charges were accessed of raping a Glasgow worsen.

It is housed approach by him and Companys leader Francis Pym for Mr. Painbakin giving a newspaper interview on the case before telling Parliament. He said it was feared the woman might kill herself if forced to give evidence. Earlier story, Page 10

Rail respite

British Rail commuters may encounter delays as services resume this morning but a threat of unofficial action by guards receded. Back Page; BR lets off steam, Page 10

Life for gunman

An Ulster Defence Association gunman was jailed for life and two accomplices for 15 and 20 years for attempting to murder former MP Bernadette . WALL STREET was 3.43 up McAliskey.

Land's End sold

Pacific air crash

A French Navy DC4 aircraft crashed into a mountain on the 1.861). It rose slightly to Pacific sland of Nonmea, killing Y225.6 (Y225.5). Its tradeall seven crew weighted index was 108.9

Rights setback

Rights Amendment Comex January which bars sex distrimination, \$375.8. Page 30 demaging its chances of inclusion in the U.S. constitution.

SECURITIES INDUSTRY

Staffordshire health chiefs are investigating a claim by the mayor of Tamworth that twin babies who died in hospital had been put in an incinerator there

BBC post filled

The BBC appointed Aubrey Singer managing director of television and deputy director general, its number two post.

Poulson trial

Bournemouth doctor Kenneth Williams was committed for trial accused of acting as

EEC snow cash Britain will receive about mission to help put right snow

damage. Grand prix clash

The 31 Formula One racing drivers striking over restrictive contracts were threatened with a life ban if they did not compele in the South African grand prix tomorrow.

Dakar victors

French brothers Claude and Bernard Marreau in a Renault R20 won the car section of the Paris to Dakar rally in which Mark Thatcher went missing.

Holiday's over

Portugal is to raise entry requirements to exclude barefoot tourists" who survive by begging and drug running.

Briefly ...

Rallucinogenic "magic mushruoms" should be banned, a Lancet article orges. Prince Andrew joined HMS magazines Page 23 Invincible, Britain's first anti- ROTUNDA a lead

submarine cruiser. Bridgshead star Jeremy Irons is to play Biggles in a film.

RISES

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Beecham 238 + 7

Beecham 238 + 7
British Chawith 358 + 10
Burton Warrants 55 + 4

Commercial Union 134 + 6
Delta Metal 501 + 31

Glass Glover 114 +

ICL "New" 16pm+51pm Land Securities 300 + 13 Lon Prov. Trust 168 + 6

Lucas Inds 236 + 8 MEPC 222 + 8

Exco Intol

Ferranti

Grand Met

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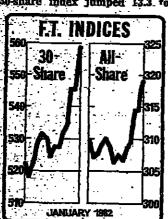
(Prices in pence unless etherwise indicated)

BUSINESS

Equities surge; **Sterling** falls

No. 28,680

● EQUITIES surged on hopes of lower interest rates. The FT 30 share index jumped 13.3 to



559.1; the biggest rise since November 9. The FT-Actuaries All-share index gained 1.5 to 319.39. Page 36

• GILTS: the Government Securities Index rose 0.28 to 63.93. Page 36

at \$49.32 near the close. Page 31 STERLING fell 35 points on Land's End Sold the day to close in London at London businessman David \$1.881, to DM 4.325 (DM Goldstone bought Land's End 4.3525, FFr 11.005 (FFr for more than £1.75m, thwarting 11.055), SwFr 3.47 (SwFr 3.51) the National Trust.

• DOLLAR fell to DM 2-2975 - (0M 2.308), FFr 5.85 (FFr 5.8675) and SwFr 1.8435 (SwFr (100.1). Page 30

in London in New York the

Council, the City's self-regulafory body, took further steps to much fast takeovers by rapid share purchases. A bidder for a company will not be allowed to buy beyond 29.9 per cent of its shares until after the first closing date in its formal offer document.

• MR JOHN DE LOREAN and Northern Ireland Secretary Mr James Prior held talks last night likely to be crucial for the Belfast car company's future. Mr De Lorean has told the 2,600 workers there will be job cuts without further substantial government aid

. INDEPENDENT Broadcastmiddle man in a Poulson ing Authority considered Heron bribery deal 16 years ago. Corporation's temporary legal Corporation's temporary legal injunction against it, brought to stop a takeover bid by Mr Robert Holmes à Court for Associated Communications

Corporation. ● ESTEL Hoesch-Hoogovens the Dutch-West German steel group's final break up seems inevitable after latest West German proposals for Hoesch.

• LIQUIDATIONS of comapnies rose 25 per cent to a record total last year according to British Business, published by the Department of Trade.

• SMALL BUSINESSES created no net new jobs in the UK last year according to a survey by the Forum of Private Business.

• TOOTAL, the UK's third biggest textile company, is to close Strines, its Manchester fabric printing plant, shedding 600 jobs. Page 7

HOUSE Revenue TRAFALGAR received Inland Revenue approval for a separately quoted company, Fleet Holdings, to cover its newspapers and

• ROTUNDA, a leading maker of self-adhesive tapes, has been bought from BICC by four of its top managers. Page 24

MK Electric 260 + 10

Marchwiel 350 + 10

Midland Bank 350 + 10

Pilkington 300 + 15

Pritchard Services 195 + 11

Reed Intul 272 + 8

Royal Bk Scotland 128 + 4

Royal Worcester 175 + 12

Thorn EMI 448 + 11

Trafalgar House 107 + 6

Trusthouse Forte... 120 + 4

FALLS

Guinness Peat ... 78 - 8 Newmark (Louis) 275 - 35

142 - 4

£22 + 1

Trusthouse Forte... 120 Turner and Newall 102 + 7 Utd Engineering ... 272 + 7

Anglovazi

BET Dfd

Ultramar

Central banks act to lower interest rates across Europe

BY STEWART FLEMING AND MAX WILKINSON

INTEREST RATES fell across Europe yesterday after an apparently concerted move by central banks to add impetus to economic recovery by cutting the cost of borrowing.

The Bank of England, the West German Bundesbank and the Dutch authorities all moved interest rates downwards even though U.S. rates continued

For the fourth day running the Bank of England lowered its dealing rates on Treasury and other Bills, reducing the rate on Bills with shorter maturities to 14 per cent, 3 of a point lower than at the start of the

Bundesbank cut its special Lombard rate by 1 point to 10 per cent, and the Dutch bank rate was cut half a point to 81 per cent.

The moves follow a weekend meeting of finance ministers of the five main industrialised countries. There seems to have been general agreement on the need to rduce the burden of a trade-weighted selection of interest rats on the western other currencies has risen 0.8

The Bank of England, which has progressively shifted the emphasis from the money supply towards stabilising the exchange rate, started a cautious testing of the markets on

In spite of its "steady but not

BY OUR FOREIGN STAFF

pared a pastoral letter to be

military authorities that if freedoms removed by martial

law are not restored the

country faces the risk of

war."
The public reading of the letter will come a day before a session of the Polish Parlia-

ment at which General Wojciech

Jaruzelski, the Prime Minister

and Communist Party leader,

is expected to announce a

significant relaxation in martial

The letter, signed by the

diocesan bishops and the Primate, Achbishop Jozef

Glemp, reflects the anxiety felt

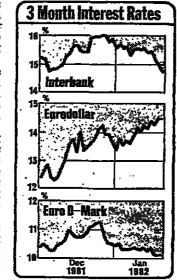
by the one institution in Poland

which retains the confidence of the majority of Poles,

It is the strongest and most

protest, rebellion or even civil

Church in Poland have pre- public by the Church.



excessive" downward pressure interest rates, sterling remained remarkably strong. The index of its value against since Friday to 91.4 yesterday.

that the three-month Eurodollar is rate increased a of a point since bar Friday to 141 per cent yester-Officials were uncertain yesterday why sterling has been

Church warns of 'civil

war' danger in Poland

tion of martial law

ment said.

letter

Alexander Haig has cut next

week's planned talks with

Soviet Foreign Minister Andrei Gromyko from two

days to one and plans to

focus the discussions on

Poland, the State Depart-

normal functioning, quick release of all detainees, cessa-

tion of all duress on ideological

grounds and dismissals from

work for political views or trade

union membership."

It adds: "We make it clear

that for the sake of freedom,

Secretary

Bundesbank's decision to lower its rate may have helped the pound and influenced market sentiment.

The British authorities would be reluctant to see any substantial fall in the value of sterling because this would add a further twist to the inflationary spiral. But they are anxious to give all the help possible to the fledgling economic recovery, through lower interest rates.

A further cut in money market rates will be needed, however, before the clearing banks are tempted to lower their base rates—the key to industry's borrowing rates—below the present 141 per cent.

Yesterday the seven-day interbank rate, to which the clearers' rates are linked, rose to 15; per cent, its highest this year. There was an acute shortage in the money markets which is expected to ease today and next

But the three-month interbank rate reflected the easier trend with a 1 point fall to just under 14; per cent. This is ? point lower than Friday's close. This was in spite of the fact If rates continue to ease, it is generally expected that banks will cut base rates by a

Continued on Back Page Fed suffers as money supply problems grow, Page 4 Money Markets, Page 30 so resilient. But it appears that

tical contacts between

authorities

We must eliminate this wave

of growing hatred and revenge.

These activities infringe human dignity, curb civic rights and thus inhibit national

"Let us state emphatically

that infringement of the right to freedom leads to protests

The pastoral letter was written only after direct con-

tacts between Church leaders

and in close liason with the Polish coal strike leaders for

trial, Page 3

the military authorities,

demands: military

of State

society

accord.

"Restoration of the State's and rebellion and even to civil

war.'

Budget date will be March 9

By Peter Riddell, Political Editor

SIR GEOFFREY HOWE, Chancellor of the Exchequer, appears set to disarm most of the economic strategy to be adopted in the Budget confirmed yesterday, for Tuesday,

March 9. Senior Ministers were saying last night that the differences within the Cabinet should be politically manageable.

Sir Geoffrey is expected to be able to satisfy most of his colleagues by offering an end tothe tough Budgets of the last two years, and by at least indicating some scope for provid-ing aid to industry and contain-ing the personal tax burden. According to one Minister last night, this should " take the wind out of the sails" of most

of the critics.

After last autumn's reshuffle, the strong critics are limited to a handful, notably Mr James Prior, the Northern Ireland Secretary, and Mr Peter Walker,

the Agriculture Minister. These critics concede that they cannot win a radical change in policy, and are limiting themselves to pressing for

expansionary measures between £2bn and £3bn. The critics do not appear to have prepared a joint pro-gramme for Cabinet. A larger group of other Ministers seem ready to go along with the Chancellor's approach provided he is

able to ffer something "posi-tive" in the Budget. To these critics it should be seen essentially in political terms as offering the Tories a chance of recovering some of the lost ground electorally.

Consequently this group in the middle of the Cabinet may well be satisfied by a relatively minor relaxation.

The Cabinet debate next Thursday will be primarily ad-risory, though it will have a considerable infleunce on the broad balance of the Budget. Precise decisions will be taken later by Sir Geoffrey when more information is available. LEADERS of the Catholic outspoken statement yet made the right to organise independent and self-governing trade

Church in Poland have prepared a pastoral letter to be read from 18,000 pulpits influencing the outcome of throughout the country on Monday's Parliamentary session, the first since the declaration of social and political support of the country of Monday's parliamentary session, the first since the declaration of social and political support of the country of marrial law support of the country of the Church.

Its timing is clearly aimed at unions and youth associations must be restored."

"The bishops also call for resumption of social and political support of the church. Both Ministers and backbench critics will look for some indiapproach in a speech he is due the to make shortly after the Cabinet meeting, on Thursday afternoon. "This dialogue may be diffi-cult, but it is not impossible.

There are no signs of any significant relaxation of the determination that public-sector borrowing must be contained. For example, yesterday Mr Jock Bruce-Gardyne, Economic Secretary to the Treasury.

Continued on Back Page Indicators offer hope, Page 8 Record company liquidations, Back Page

Miners accept 9.3% and reject union strike call

BY CHRISTIAN TYLER, LABOUR EDITOR

average 9.3 per cent pay offer. They gave a decisive "no" to their national leaders' call for rejection of the offer and for a mandate to strike

Only 45 per cent of the miners, in a secret ballot with an 82 per cent turnout, backed the line advocated by the National Union of Mineworkers' executive.

The union needed 55 per cent to threaten the Coal Board with a strike. Having failed to secure a simple majority, its been careful to leaders cannot now even argue

be made to miners' basic rates, backdated to November, with a new service and holiday pay-

ment which brings the value up ever, that there was no general pay grievance in the coalfields. The miners' settlement-the

third in 20 months—will sharply reinforce an emerging disparity

MINERS have voted to accept between public sector and the National Coal Board's private sector pay agreements this winter. The Confederation of British

Industry estimates that most private sector deals have been between 4 and 6 per cent since August, although the average is 7 per cent. Yesterday's result will be seen

as a snub to the NUM left, and in particular for Mr Arthur Scargill, the Yorkshire president who succeeds to the national

The miners themselves have been careful to distinguish between their support for Mr with the board that some extra Scargill—they elected him with concession should be made. a record 70 per cent majority a record 70 per cent majority—and their reluctance to pro-

The final figure, after a late and low return from the normally militant South Wales coalfield, was 91,477 for the national executive and 113,144 against.

A per cent will result by blaming an extra-dinary last-minute interventions. tion by Mr Joe Gormley. current president.

Mr Gormley wrote an article Ministers will breathe a sigh of the ballot which in enection of relief. They had expected the miners to reject their the miners to support their union's decision. For this he union out of loyalty. It has union's decision. For this he union out of loyalty. It has a clear for some time, howin the Daily Express on the eve

mittee on Tuesday.

It is not the first time that the miners have voted against Continued on Back Page Table of voting, Page 10

Strike at Leyland plants

BY IVO DAWNAY, LABOUR STAFF

LEYLAND VEHICLES, BL's test against management plans

Chorley began the stoppage yesterday after voting over-whelmingly at mass meetings to Union officials at the Bathgate

3,600-strong workforce face redundancy, are expected to support the action with their own strike call today. Leyland Vehicles announced

its corporate plan in November last year, provoking immediately a bitter reaction from union leaders.

The company, which lost £47m in the first half of 1981, has won agreement by 740 workers at the Guy Motors heavy truck plant in Wolverhampton to accept closure.

Besides Leyland, Chorley and truck and bus subsidiary, could Bathgate, other plants affected face a shutdown today following by the reorganisation are at an indefinite all-out strike at Workington and Albion works two Lancashire plants in pro- near Glasgow. Last month, more than 200 shop slewards to reorganise the company in-to reorganise the company in-volving the loss of 4,100 jobs.

About 8,500 manual and clerical workers at Leyland and policy of non-cooperation

Yesterday's strike was triggered off by the walk-out of 180 workers at the Leyland back a shop stewards' strike technical centre after a fitter was suspended for refusing to work on the new MT207 truck. truck assembly factory near This vehicle is to be built at Glasgow where 1.365 of the the plant under the company's the plant under the company's rationalisation plan.

Mr Mick Coyne, senior con-

venor at the Leyland plant. said that there would be no return to work until the company agreed to a six-month postponement of the reorganisation and redundancies, to allow proper examination of an alternative union plan. "We have repeatedly asked

for meetings with the management, but they have refused,' Mr Coyne said. "It is now up to them to make a move."

Securities dealers face changes

BY DUNCAN CAMPBELL-SMITH

SWEEPING CHANGES in the rules governing licensed securities dealers are proposed in a consultative memorandum from the Department of Trade to a range of professional bodies in the City.

The proposals are designed to meet assurances given by Mr Reginald Eyre, Parliamentary Under-Secretary for Trade, last July that licensed dealers would come under more stringent government control following public concern over a spate of bankruptcies in the sector, most notably that of the Norton Warburg group.

Licensed dealers are one of five categories of institutions permitted by law to buy and sell securities on behalf of investors. They have long constituted one of the sectors of of their operations, verified by the City least subject to either an independent accountant.

statutory regulation. Two statutory instruments

with which the Department is proposing to replace the present rules with change this abruptly. The three main areas of change

 Dealers offering investment management services will have to document their client relationships far more closely and will be obliged to treat all clients' money "received in the course of dealing" as trust funds which must be placed with recognised depositaries. Applicants for a licence will be required to provide significantly more information on their personal as well as business backgrounds and where successful will have to file sixmonthly returns with all details

or self-imposed • Licences will be conditional on professional indemnity inrules will change this abruptly. surance or equivalent measures against fraud.

Sir Nicholas Goodison, chair-man of the Stock Exchange, welcomed the proposals. Mr Robin Hodgson, chairman of the National Association of Security Dealers and Investment Managers, also welcomed them but said the scope of existing legislation remained unclear. Background, Page 8 Lex. Back Page

£ in New York Jan. 20

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Opposition to the party leader is strong in some sections of Fianna Fail, writes Brendan Keenan in Dublin

Haughey wins a battle but is still fighting to survive

MR CHARLES HAUGHEY, the pected to be one of the tough Irish Opposition leader, has est ever—has been displaced as just experienced his stickiest the main topic of political gosspell in politics since his acquittal in the famous arms Charlie survive?" trial of 12 years ago.

It finished with the expulsion from the Parliamentary Flanna Fail Party of Mr Charles McGreevy, the member for McGreevy, the member for Kildare, who was once re-garded as one of Mr Haughey's strongest supporters.

It started a few days ago politics. when the party's Galway City branch passed a vote of no opponents say, broke one of the confidence in Mr Haughey's party's most hallowed traditions leadership after he failed to give a shadow cabinet post to In Britain, a coup against a PM Mr Bobby Molloy, the city's who appears to be failing is un-Tavourite son.

Two branches in Cork added to the squeeze when they put similar motions for enate at the next party von-his term of office in 1979. probably not the scalp which erence. Those who supported Mr Haughey would most like to The forthcoming budget—ex- Lynch will not, and apparently hang on his belt. debate at the next party von-

While is is much too early to write Mr Haughey off, the problems of Fianna Fail are unlikely to go away, partly because the rigid traditions of the party —founded by Mr Eamon De Valera in the 1920s—seem in-creasingly at variance with developments in modern Irish

Mr Haughey himself, his

—that the leader is sacrosauct. บรบลโ but not unknown. In Fianna Fail such a thing was unknown until Haughey organised a brilliant putsch against Mr Jack Lynch mid-way through

A SENIOR Irish hanker has predicted that the punt will have to be devalued by between 5 per cent and 10 per cent against the main currencles this year, even though the cost will be great and the benefits shortterm, writes Brendan Keenan

Mr John Bourke, chief financial officer with the Bank of Ireland, one of the country's big two commercial banks, said that although the technical aspects of Irish membership of the European Monetary System had been well managed, the country had failed to adopt the discipline necessary to keep inflation under control.

There were strong arguments against

cannot, forgive Mr Haughey.

Most of his difficulties spring

Mr McCreevy, though, was a

different problem and his is

from this coup.

devaluation buf Mr Bourke believed shortterm considerations of competitiveness would outweigh the longer term debilitation resulting from devaluation.

He told a meeting of chartered secretaries and cost and management accountants that Irish interest rates would probably remain in the 17-20 per cent bracket. Although this was a negative rate of real interest, borrowers could not presently pay more.

Interest rate pressure could be resisted for as long as the central bank could borrow abroad. Mr Bourke said. But if there was not a clear intention of reform this could become difficult this year.

He dared not show leniency, than once - if his party and however, for fear it would be interpreted as weakness, and correct policies to deal with the country's economic woes, embolden his enemies to move although he made no direct Mr. McCreevy broke tradition attack on Mr Haughey's leader-

ship.
The question is how long the

old-fashioned discipline which prohibits such public criticism

In the ruling Fine Gael and Labour parties, where things Dail committees seriously, and are traditionally less strict, most of them have proved backbenchers have also been impotent. tasting the heady air of dissent.

Mr John Ryan, a Labour man from Tipperary, has gone so far as to hint that he might not sup-port the budget if it includes the controversial suggestion to cut the standard rate of income

While Mr Ryan is no admirer of Mr McCreevy he points out that the new generation of TDs (MPs) will not be s silent as their predecessors. "There is a lack of liaison between decision-makers and backbenchers," he says. "Every-thing is usually a fait accompli before it reaches TDs.'

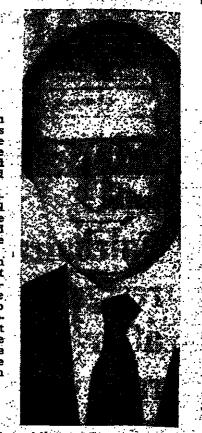
Like many members, he would like to see reinforcement and extension of the committee

system to give TDs a role in framing legislation. It has proved impossible to get the powerful civil service to take

The Fianna Fail Parliament ary Party is to have a special meeting on policy and discipline and some re-drawing of the old lines may be necessary in all the parties.

For Mr Haughey, faced with implacable opponents, the best chance is to harry the Government and get ahead in the opinion polls. If he begins to look like a winner he will probably survive to fight the next election. Should he fail to make an impact in an opposition role he is said to dislike, he may face more serious challengers than the member from Kildare.

Mr Haughey (right): dared



Balsemao tries to speed EEC entry

BY DIANA SMITH IN LISBON

THE PORTUGUESE Prime Minister, Sr Francisco Pinto and senior negotiators fly to Brussels on Sunday for the first round of talks that will take them to all 10 European Community capitals over the next three months.

Worried by the slow progress towards Portugal's accession to the EEC, Sr Balsemao hopes to inject some energy into the proceedings by personal discussion with Community officials in Brussels on Monday and thereafter with his counterparts in European capitals. On this lap, he will also visit Luxembourg

Portugal is likely to miss its original target of accession by 1983. Though some dossiers are passing relatively easily through the Brussels negotiations, the questions of agriculture, questions of agriculture, customs unions and labour flow; have run into serious difficul-

The accession treaty may not be signed before the end of 1982 and another 18 months or so will be needed to ratify the treaty in the parliaments of the 10 member states.

With one or two exceptions, like wine, Portugal's agriculture is a financial and technical tale



Sr Balsemao . . . to tour ten European capitals in the next

problem for the Brussels negomany years, even decades, of transition and reshaping it will take to bring this sector into of woe that represents no threat the 20th century, let alone close to its EEC counterparts. The to Community patterns.

three months A different picture is pretiators is how much aid and how sented, however, by Portuguese than 40 per cent of the country's industrial output. At present, there is little chance that

Britain and France will abandon

their strong stand on quotas and a transition period for Portugal's textile exports. Portuguese negotiators are

by voicing dissent in public. He wondered aloud—more

in for the kill.

doing their best to ensure a reasonable deal for textiles. The industry, however is direly in need of stronger investment companies modernisation and membership could prove to be a blessing in disguise. European manufacturers would be able

to invest here.

Portugal's centuries-old urge to export its unemployment is unlikely to be allowed free rein when it joins the EEC. There are already a million Portuguese emigrants settled in Western Europe. There may be a transition period of up to seven years on the free flow of labour, dashing early and naive hopes that Com-munity membership would bring unaffected access to the West European jobs market.

The Portuguese Government watched keenly the recent European tour of Sr Leopoldo Calvo Sotelo, Spain's Prime Minister. It is worried that the Spanish might win a faster and better accession deal. Sr Balsemao, therefore, will spend the final week of January, February and March touring European capitals

January, 1982

Oslo acts to restrict freon gas

By Fay Gjester in Oslo

NORWAY has banned the construction of a foam plastic factory, employing around 20 people, that would have released 400 tonnes of the that would have controversial freon gas into the atmosphere every year.

Freon, a compound containing chlorine and fluorine, is used for refrigeration, in spray cans, and in the production of foam plastic and rubber. It has been blamed for damaging the earth's ozone layer, which helps to filter ultraviolet rays from the sun. Norway was one of the first countries to forbid its use in spray cans.

Mrs Wenche Frogn Sellaeg, the Environment Minister, said that, in banning the new plant, the Government hoped to set an example in the drive to reduce freon emissions world-

Ministry officials at first recommended approval of the plant, which was to have been built by Norske Fina, a subsidiary of the Belgian concern. This decision was opposed by the Norwegian Society for the Protection of Nature, which has warmly applauded the ban.

Oil company attacks Working Danish tax proposal

BY HILARY BARNES IN COPENHAGEN

oil and gas exploration in Denmark's sector of the North Sea, has strongly criticised a Bill published this week.

The company claims Bill will make it and its partners in the Danish Underground Consortium - Shell, Standard Oil of California and before they have made any profits. It claimed that the Bill conflicts with the conditions on which the company agreed last spring to relinquish to the state some of the licensed

Mr Mogens Lykketoft, the Tax Minister, has said he estimated that the oil tax proposals would mean that the consortium would pay about DKr 450m (£31m) this year and about DKr Ibn (£70m)

Moeller's dissatisfaction with the Government is mirrored by that of the authorities with the company. When it told the Government at the end of last year which areas of the North

A. P. MOELLER, the company remaining areas, Mr Poul which holds the licence for Nielson, the Energy Minister, reserved his position on both questions.

The new disagreements are the latest in a long-standing squabble between Moeller and the Social Democratic Government. The company was given. Texaco—pay substantial taxes in 1962 an exclusive 50-year concession to the Danish on-shore and offshore areas.

Last year, under an implied threat of expropriation of the licence, the Government negotizted a deal with Moeller under which the company surrendered 50 per cent of the original area from January 1 this year. By the end of the decade it will have to hand back the rest, with the exception of 12,000 square kilometres (about 1 per cent of the total) which include the fields where the consortium has so far found oil and gas.

Mr Bjarne Fogh, Moeller's financial director, said that the consortium's investment in the North Sea to date totalled Sez it was giving up and out- DKr 11.5bn (£815m) and, its lined its planned work for the revenues DKr 4.1bn (£290m).

week on decline

GENEVA-South Korean have the longest working week while Norwegians put in the least hours at work, according to satisfies com-piled by the Johnnational Labour Crodesterland Labour Orge A survey alread flat the

average working week has been decreasing during the past decade in most co for which data were avail-able. South Korea 1005 2 notable exception.

In that country bomen worked 53.5 hours and men 52.8 hours a week in 1880. a weekly average of 53.1 hours, according to the vey. This compared with 3 hours and 25.8 hours for Norwegian men and wome Working weeks for men and women in other countries listed were: Britain 41.9 and 37.3; Japan 42.4 and 38.4; West Germany 42.2 and 49. Switzerland 44.2 and 42.7; Israel 39.2 and 35.1; Australia 39.1 and 34.4.

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Al-Mal Group

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Algemene Bank Nederland N.V. Amro International Limited Bank Julius Baer International Limited Bankhaus Gebrüder Bethmann Banque Française du Commerce Extérieur Ranque Internationale à Luxembourg S.A. Banque de Paris et des Pays-Bas Bayerische Hypotheken- und Wechsel-Bank Aktiengesellschaft Bayerische Vereinsbank International S.A. Compagnie de Banque et d'Investissements, CBI Crédit l'adustriel et Commercial Daiwa Europe (Deutschland) GmbH DG BANK Deutsche Genossenschaftsbank Girozentrale und Bank der österreichischen Sparkassen Aktiengesellschaft Groupement des Banquiers Privés Genevois

Industriebank von Japan (Deutschland) Aktiengesellschaft Merck, Finck & Co. Morgan Stanley International Simonbank Aktiengesellschaft Trinkaus & Burkhardt

Yamaichi International (Europe) Litaited ...

Bank für Gemeinwirtschaft Aktiengesellschaft Bank Leu International Ltd. Banque Bruxelles Lambert S.A. Banque de l'Indochine et de Suez Banque de Neuflize, Schlumberger, Mallet Banque, Worms Bayerische Landesbank Girozentrale **B.S.L. Underwriters Limited** Creditanstalt-Bankverein Crédit du Nord Daiwa Securities (H.K.) Limited Effectenbank-Warburg Aktiengesellschaft Goldman Sachs International Corp. Hessische Landesbank - Girozentrale -Kredicthank S.A. Luxembourgeoise B. Metzler seel. Sohn & Co. The Nikko Securities Co., (Europe) Ltd. Smith Barney, Harris Upham & Co. Incorporated Wirtschafts- und Privathank

ANGLO AMERICAN CORPORATION FINAL DIVIDENDS — FINANCIAL YEARS

TRANSVAAL GOLD MINING COMPANIES

ENDED DECEMBER 31 1981

Name of company (such of which is incorporated in the Republic of South Africa)	Dividend No.	Rate of dividend per share
The South African Land & Exploration Company Limited	81	25 cents
Vaal Reefs Exploration & Mining Com- pany Limited	51	530 cents
Western Deep Lovels Limited	40	205 cents

By order of the boards
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

Johannesburg January 22, 1982

BRAZILIAN EQUITY

HOLDINGS S.A.

990 APEL SOCIETE
CONCESSIONNAIRE

Registered Office: LUXEMBOURG, 15 Ree Aldringer PARIS-EST-LORRAINE 91% — 1975/1985 NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS The annual general meeting of archolders in 1982 will be held at Y Avenua Montarey, Luxemonurs on February 1982, at 11.45 a.m. for a purpose of Considering and voting on the following matters: To hear and accept the reports of:
(a) the directors:
(b) the statutory auditor.

7085, 7175...450 February 1981; No. 9736 to 9740, 9744, 9745, 10332 to 19503 10528, 10546, 10548, 10711 10348, 10546, 10648, 10850, 10348, 10546, 10648, 10850, 108 Amount remaining in four this fourth instalment EUA 6,000.000. The Fiscal Agent CREDIT LYONNAIS—LUXEMBOURG

PUBLIC NOTICE

THE BOARD OF DIRECTORS

GROUPEMENT DE L'INDUSTRIE SIDERURGIQUE

Optionally Renewable International Debenture Loan 1977/1980-1982 of US\$35,000,000

In accordance with the terms and conditions of the issue, notice is hereby given to bondholders of the 1977/1980-1982 loan that the interest rate payable on 15th June 1982, for the period from 15 December 1981 to 15 June 1982; has been fixed at 154% (15.1875%) for 182 days, i.e. \$76.78.

ALLMANNA SVENSKA ELEKTRISKA AKTTEBOLAGET (ASEA)

U.S.\$30,000,000 81% Bonds 1986

Notice is hereby given to Bondholders of the above loan that the amount redeemable on March 1, 1982 i.e. U.S.\$3,000,000

was bought in the market.

Amount outstanding: U.S.\$15,000,000.

Trustee: THE LAW DEBENTURE CORPORATION p.l.c.

Principal Paying Agent: KREDIKTBANK S.A. LUXEM-BOURGEOISE, LUXEMBOURG. Luxembourg, January 22, 1982.

PECHINEY UGINE KUHLMANN

INTERNATIONAL N.Y.

LOAN OF EUA 20,000,000.

the market.

Payment of interest due on February
22 1982 will take place at the
following banks:
CREDIT LYONNAIS. Lovembourg.

KREDIETSANK S.A. LUXEMBOUR. RREDIETBANK S.A. LUXEMBOURGEOISE. LUXEMBOURGEOISE. LUXEMBOURGEOISE CREDIT PIERSON, HELDRING AND PIERSON, Amsterdem — BANQUE BRUXELLES LAMBERT S.A. Brussels.

It is reminded that the following bonds drawn for redemption on Petroary 1979 have not yet been presented for repayment.

No. 9651, 9653, 9664 to 9667, 9670 9676, 9680. Outstanding amount after this eighth nortization; EUA 15,000,000. The Fiscal Agent

MEPC LIMITED METROPOLITAN ESTATE AND PROPERTY INTERNATIONAL M.Y. CONVERTIBLE BONDS 1996 Pursitant to the terms and conditions of the above bonds, notice is hereby siven to bondholder that as a result of an issue by the guaranter of the bonds, MEPC Limited of 34,245,222 new ordinary startes at a price of 188p by way, the startes at a price of 188p by way, and holders of the 82 per cent. Convertible Unsecued Loss Soci 1995/2000, the Convertible Convertible of the above bonds has been adjusted to 239p with effect from 12, 1stumpt 1982.

METROPOLITAN ESTATE AND AS12.500.000 84 PER CENT. CONVERTIBLE BONDS 1996

LEGAL NOTICES IN THE MATTER OF
C. J. PLUCKNETT & CO. LIMITED
AND IN THE MATTER OF
THE COMPANIES ACT 1948

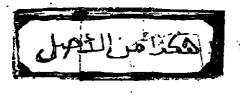
NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarity would up, are required on or before the 1st day of March, 1982; to send in their full Christian and samames, their addresses and descriptions, full perticulars of their debts or cleans, and the names and addresses of their Solicitors (if any). addresses of their Solicitors (if any). to the undersigned Petrick Granville White of I Wardrobe-Piace, Carrer Lans. Loaden EC4V SAJ, the Liquidetor of the said Compeny, and, if so required by nodes in writing from the said Liquidetor, are, prespectably or by their Solicitors, to come in and prove their debts of cleims at such zims and place as shall be specified in such nodes or its default thereof they will be Ne proved.

Deted this 8th day of January, 1982

PATRICK-GRANVILLE-WHITE.

ANNOUNCEMENT

ART GALLERIES



Japanese begin | Poland to try coal strike leaders in military court to invest in France again

TWO JAPANESE consumer initially, growing to around 100 electronics companies. Pioneer and Citizen, are planning manu-facturing plants in France.

Their decisions mark the first significant move by Japanese industry to layer an France since the Socialists election victory last summer. The last large investment was by Sony, which opened its FF. 30m (28.1m) and a large plant at Bayonne, in the south-west, at the end of \$1880.

its French agent, Musique Diffusion Française, refuses to give details, the new plant is expected to create about 200

in France. A site has not been selected, but the company is ment may be less welcoming to planning to set up in the tradi- Japanese investment in contional watch-making area in somer electronic industries, eastern France near Besancon such as television, where it at the end of this year. About wants to see a renewed French 40 jobs should be created effort.

during the year.
It is not clear whether the two projects show a change of Their decisions mark the first ment by France. The last agnificant more for Japanese ment by France. The last number of the last ment by France desert and France based on a deliberate defence of what it defined as strategic industries in which France had a large stake. The television industry, for example, is still defended by EEC-approved quotas on Japanese goods.

proneer claims to be the leading world, in a producer, and has at least it producer, and has at least it it is south west, in the Bordeaux region. Although its French agent. Musique allowed one important new pro-ject, by the private telephone company Mitel, in a sector which would probably have been defended in the past.

On the other hand, a strong The Citizen project is also at theme running through Socialist an early stage, but is aimed at party thinking is the need to tetting up a plant to assemble develop a response to Japanese around 15 per cent of the expertise in high technology industry.

Because of this, the Govern-

Tindemans pledges support for European union plan

BY JOHN WYLES IN BRUSSELS

Beigian Foreign Minister, yes German and Italian Foreign tenday laid before the European Ministers, he said. which he will be President of produce "new and positive" the Council of Ministers. ... results.

courage the EEC to take steps to the world economic crisis "which will really prove that both within the EEC and in its today Europe is a Community relations, with the U.S. and and that tomorrow it well be Japan.

This meant greater efforts to

target as European Union.

The Belgian Presidency had that Europe could reach agree-already set up an official work ments with the dollar and yen ing panty of the Ten to examine "zones."

MR LEO FINDEMANS, the these proposals from the West

Partiament his plans for the He said he hoped "with all EEC for the six months during my heart" that this work would

Belgium, he said, was going. Mr Tindemans spoke of the to do everything possible to en need to develop better responses

He revealed his enthusiasm strengthen the EEC's internal for the so-called Genscher market, to develop an industrial Colombo plan whose ultimate strategy and to strengthen the European Monetary System so

Setback for plan to land LPG at Rotterdam

BY CHARLES BATCHELOR IN AMSTERDAM

of liquefied petroleum gas insisting that environmental (LPG) in Rotterdam have run into further difficulties. The Rijnmond district council, which with Rotterdam is the most important authority in the area, is demanding that any shipments of LPG require environmental permits.

could delay the project a further seven months, according to Mundogas, a Panamanian-registered company in which P & O, the British shipping line, has a large holding. Mundogas's plans have already been delayed by three months.

The company reached agreement with the Rotterdam authorities last year to moor LPG tankers in the harbour to act as a floating " terminal." The tanker would unload its cargo over two to three weeks into coasters or barges and then leave to be replaced by another

Rijnmond, which shares control of the harbour approaches with Rotterdam, now argues that even this form of extended un- the original Fl 350m (£74.5m)

PLANS to land large quantities of LPG in the harbour. It is permits be applied for, said Mr Max van der Put, Mundogas project manager. The company is now considering whether to challenge Rijumond in the courts.

Mundogas plans in the longer environmental permits. term to moor a tanker perma-Application for a permit nently in the harbour and replenish its tanks regularly with LPG. Ultimately, this form of storage would become too expensive and the company hopes to join other LPG importers in the construction of an onshore terminal.

> P & O and the Monaco-based Thyssen-Bornemisza group own 43 per cent each of Mundogas. while Panaversal, a Brazilianowned company, has 14 per

-Last October, Royal Dutch Shell and British Petroleum cancelled plans for an onshore-terminal to land 1.5 to 2m tonnes annually or LPG because safety and environmental con-trols would have nearly doubled

SOLIDARITY union activists

Seven men are charged with organisms en underground sit-in by more than 1,000 miners at the Piast colliery. The strike lasted from December 13—the day martial law was declared-

accused of leading long-running strikes in two of Poland's main coal mines are to be tried by a military court, the official Press

A further 11 men will be indeed on similar charges stematical for a similar charges stematical for an able for December 13-January offences against martial law bull offences ag

vists have been jailed for years. At least nine have been organising strikes or other pro-sentenced since then.

of an aircraft factory in Rzeszow and a third three years for

paper addd.
The bulletin recently denied

official insinuations that Z80m bank account 10 days before have been erected on all main martial law had been stolen.

Mr Wladyslaw Frasyniuk, Solidarity's regional leader, who is authorities to seal off the capital authorities a

underground Solidarity money was withdrawn in case bulletin called "From Day to of a clampdown. It would be Day" in Wroclaw, the news- used to help the families of members interned and in hiding and to finance union activities. (£ withdrawn from the union's ● Border-style control points organising strikes or other presentenced since them.

and a third three years for tests since martial law was protests since martial law was protest since martial law was protest since martial law was protest writing a leaflet.

Wolnosci, reported yesterday The authorities have arrested still at liberty, and Mr J Pinior, in a matter of minutes, figures show.

and a third three years for Mr Wladyslaw Frasyniuk, Son-move which would change the capital darity's regional leader, who is authorities to seal off the capital still at liberty, and Mr J Pinior, in a matter of minutes, another union official, said the travellers reported yesterday.

Why W. Germany may refuse Moscow loan request

AT THE beginning of December, before the military take-over in Poland, the Deutsche Bank in Frankfurt received a request for a DM 300m loan from the Soviet Union. denied.

At the time, it must have appeared to the bankers that the proposal was a routine credit negotiation with a country whose credit standing up to that point was impeccable.

Moreover, the Deutsche Bank was leading a consortium which had already agreed to lend DM 2.55m to finance the proposed new gas line from Siberia to Western Europe. Both countries were agreed that in spite of the opposition of the U.S. the project was mutually beneficial. The new credit request, which was to be considered in the contect of the pipeline financing. was perhaps an unexpected new development since the loan agreement had been signed. But in the context of such inter-national credits it was not all that out of the ordinary.

Today, some three weeks after the date when the Soviet Union might have expected to have heard that the German banks were willing in principle to extend the funds the credit request remains just that.

The banking consortium met on Tuesday without coming to any decision. Privately some banks have already made it

EEC bars

food sales

THE EUROPEAN COMMISSION

ruled out yesterday any further prospect of cut-price food sales to Poland amid growing signs of reluctance among EEC member states to introduce quickly any additional measures against

Warsaw and the Soviet Union. M Gaston Thorn, the Commis-

sion president, told the Euro-

pean Parliament in Strasbourg was scrapping a proposal made

last October to spend another

£20m on a subsidised food sale

The declaration of martial

law, he said, made controlling the distribution of food much

more difficult, implying that the

EEC could no longer be sure it was reaching the people for

Nevertheless, M Thorn said the Commission did not want to see the Polish food shortage

grow worse and it would be

ready to start selling food under

normal commercial terms. It

would also try to promote a por-tion of the planned £20m sub-

sidy on humanitarian aid which

would be distributed by non-

governmental agencies such as

the Red Cross and Caritas.
The Commission's declaration

fills a lull which has settled on

on the Polish front since Euro

pean governments agreed with

the U.S. in the Nato Council 12

days ago to consider action

against both Poland and the

their deliberations will last

another two or three weeks and

may not even then result in

Present indications are that

Soviet Union.

whom it was intended.

to Poland.

cheap

clear they oppose the transac- when Western bankers are ask- difficulties tion, and there has been specu-lation that because of their opposition the credit might be

For it to become known that German banks were unwilling to grant the Soviet Union such a credit would be a tremendous blow to Soviet prestige, and also to its international standing as a borrower on world capital

Europe and the West at a time Romania is also in payments creditworthiness

up its short-term borrowing

from international banks

during the first half of last

year as well as drawing

heavily on its reserves to meet

a squeeze on its convertible

currency resources.

ing themselves how they can preserve a basis on which these relations can be continued.

international standards, International standards, is has always been assumed that quite a modest sum, can be the Soviet Union, with its traced directly back to the wealth and political commit-Polish crisis which has precipitated dangerous conditions would come to the aid of any in the financial markets. would come to the aid of any of them in financial trouble. in the financial markets.

Poland has already reached tensions in the financial rela-bankers unless it pays some all its obligations to the West. tionships between Eastern \$300m of overdue interest. This has tended to weaken the

Western bankers have been forced to re-think completely the basis on which they have The uncertainty over what, by lent to Communist countries. It exposed Communist country has

ments to its Comecon partners. Poland's Eastern neighbours a position in which it can expect have given aid, but not enough It would further heighten no further credit from Western to enable the country to meet

Eastern bloc countries since it has eroded one of the foundations on which lending to the East has been built.

been the first to feel the effects.

On purely economic grounds settlement of Romanian rescheduling necessary to reduce the risk that its debt problems may cast another cloud over the creditworthiness of the Eastern bloc. The political atmosphere, however, threatens to make this

put more pressure on the Soviet Union over Poland. Even before the chill settled over East-West relations, it was apparent that the problems of t the Western bankers were likely to lead to a reduction in their lending in the Eastern bloc. Growth has been rapid

over the past 10 years but some

West German bankers now say they are restricting their lend-

Indeed, it will be tempting

for some politicians—in the U.S. in particular—to try to manipu-

late the Romanian question to

ing to trade finance which helps their German customers. As the financing problems of Soviet short-term borrowing shows increase the East have increased and the Company of the East have increased and the East have increased and the Company of the East have increased and the Eas economies can adjust more readily to economic adversity has also come into question, the planned gas pipeline between Siberia and West Europe has

> For those who believe that the time has come for the West to increase the pressure on the Soviets, halting the pipeline project becomes an even more attractive option. The diffi-culty is that there are many Western banks, heavily committed in the East, and countries such as West Germany bordering the Communist bloc, who will have to live with the political and economic con-

become more important.

Latest figures from the Bank for International Settlements (BIS) show

Soviet short-term borrowings at the end of June stood at \$6.8bn (£3.6bn) or 46.7 per cent of its total \$14.5bn borrowings from Western

The short-term borowings. classified as loans maturing in one year or less, were only 41.9 per cent of total borrowings at the end of 1980 which themselves were markedly lower at \$13.4bn.

BY PETER MONTAGNON, EUROMARKETS CORRESPONDENT

The BIS has already reported that the Soviet Union drew \$5bn on its deposits with Western banks during the period. The drawings were believed to have been used to finance a widen ing trade deficit with the West as well as aid to Poland. But the latest BIS figures

show that, at least in the first half of last year, some East European countries were able to escape the knock-on effects of the debt crisis in Poland. Short-term borrowings can

sometimes be a useful indicator of confidence in the Euromarkets as they tend to rise when political or eco-nomic considerations make lenders reluctant to enter into long-term commitments.

Hungary was, however, able to reduce its short-term borrowing during the first

Elsewhere in Eastern Europe, Poland bad short-t erm loans from Western banks of \$4.7bn at the end of June compared with total borrowings of \$14.7bn. Romania's short-term borrowings were \$2.3bn on total

borrowings of \$5.4bn.

half of last year. At the end

of the period, short-term loans

amounted to only 35.9 per

cent of its total \$7bn borrow-

ings, whereas at the end of

1980 the percentage was 42.9

on total borrowings of \$8bn.

COOPERATIVE

It's always been our middle name

We've changed our name from. F. C. Finance Limited to First Co-operative Finance Limited. In doing so we're spelling out our heritage as a wholly-owned subsidiary of one of Britain's major clearing

banks: Co-operative Bank p.l.c.

influenced us when we decided to change our name. In Corporate, Marine and Personal Finance you'll find us not only co-operative, but competitive, too. We've got a whole new world of financial expertise that may help you grow, corporately, or personally.



1 Balloon Street, Manchester M60 4EP WRITTEN DETAILS ARE AVAILABLE ON REQUEST

Up to 45% off fares to Scandinavia.

Copenhagen from

Fromnow till January 31st you can buy tickets for travel on Tuesday, Wednesday, Thursday, and Saturday between 13th February and 17th April.

Copenhagen return from London£70, from Birmingham and Manchester £80.

Other return fares from London, Stavanger £70, Oslo and Gothenberg £80 and Stockholm£90.

For details and conditions, see your Travel Agent or British Airways Shop.

We'll take more care of you.

Owners of Jari mining 'kingdom' hold first meeting

BY ANDREW WHITLEY IN RIO DE JANEIRO

leading banks and private com-panies met for the first time in ing company with rival interests Sao Paulo yesterday as the new owners of Jari, the controversial Amazonian farming and mining 'kingdom" formerly owned by Mr Daniel Ludwig, the U.S. shipping magnate.

It was a roll-call of the powerful and famous in the Brazilian have considerable experience of economy. The meeting was working in the Amazon. But called to choose a president and board of the new Companhia do the problems that bedevilled Jari, and to settle outstanding Mr Ludwig. issues in the hastily-arranged

attended by President Joao Jari. Many will have done so Figueiredo, who have taken a out of a feeling of corporate close interest in the negotiations loyalty and national duty. over the past month.

company, Monteiro Aranha.

Heading the shareholders with the invitation. These are said area's fast-growing population.

TWENTY-THREE of Brazil's to have included Votorantimto Jari-and Banco Real, the number three private bank.

> Some of Jari's new owners such as Camargo Correa, the construction leader, heavy Bamerindus the Amazonian Bank and Caemi itself already most are new to the area and

The company will be formally tion by Sr Antunes to particinaugurated on Monday at a pate with a nominal ceremony in Reaction All have responded to a

The most pressing task of the Among those participating in new Jari board, expected to be the group are seven of the eight controlled by Sr Antunes' leading private banks, the top nominees will be to raise just two insurance companies, the over \$30m in the next week to rour biggest heavy construction meet the payment deadline for companies, and Brazil's most a tranche of a loan raised in important investment holding Japan by Mr Ludwig to build a \$186.2m cellulose plant.

Decisions are also urgently a 40 per cent interest is the awaited on two other running Caemi Mining Company, owned disputes which the American by Sr Augusto Azevedo billionaire had with Brazilian Antunes, the leading figure in government agencies: the right the rescue and nationalisation to the full 1.6m hectares of the struggling giant project. claimed by Jari and the pro-Nine companies and banks vision of urban services and apparently decided to decline other infrastructure to the

U.S. losing 16% of oil and gas royalties

royalties due to it from private leaseholders because of mismanagement and fraud.

This is the conclusion of a special commission set up by the Interior Department to investigate the chronic underpayment of energy royalties and "oil

commission's report issued yesterday, said that between 7 and 10 per cent of public royalties went unreported and unpaid and that between 3 and 6 per cent of the oil on federal and tribal lands wa<u>s</u> simply stolen.

mismanagement

THE U.S. GOVERNMENT is they have risen rapidly, to an losing about 16 per cent of the estimated \$5bn in 1982 and a \$5bn (£2.6bn) oil and gas projected \$14bn by 1990.

The commission criticised the present management of royalty payments by the U.S. Geological Survey which, it said, relied largely on an "honour system." without adequate audits and accounting.

It recommended that management should be transfered from "the scientifically oriented Geological Survey to a new office" with the skills resources and mandate needed to control a huge financial programme.

In addition to improving security and auditing standards, of the commission recommends federal energy reserves was less criminal penalties for royalty important in the past because violations and civil fines of up total federal royalities were to \$10,000 a day for late pay-only \$500m in 1971. Since then ment.

Women's rights setback

BY ANATOLE KALETSKY IN WASHINGTON

THE DECADE-LONG attempt Presidents Carter and Ford by the American women's and their wives.

movement to win the constiGeorgia's rejection of the tutional right to equal treatment in all aspects of law suffered a major setback yesterday when the Georgia House of Representatives refused by a two-to-one margin to ratify the Equal Rights Amendment (ERA).

The result was a big disappointment for the movement's campaign because Georgia had been singled out for particularly intense lobbying. This included personal endorsements of the ERA by former for ratification.

ERA follows a defeat for the ERA in Oklahoma earlier this The ERA, which was passed by a large majority in both the U.S. House of Representatives

Georgia's rejection of the

and Senate in 1972, has to be ratified by 35 states' legisla-tures to become part of the U.S. constitution. cation is June 30, and the ERA

The final deadline for ratificampaign is still three states short of the 35 states it needs

NOTICE OF REDEMPTION

To the Holders of

Plywood-Champion International

Finance Company

51/4% Convertible Guaranteed Debentures due 1983

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of February 15, 1968 providing for the above Debentures, \$216,000 principal amount of said Debentures have been selected for redemption on February 15, 1982 (the "Redemption Date"), through operation of the Sinking Fund at the redemption price of 100% of the principal amount thereof, together with accrued interest thereon to said date, as follows:

Those outstanding Debentures of \$1,000 each of prefix "M" bearing numbers ending in the following two digits:

And Debentures of prefix "M" hearing the following numbers:

On February 15, 1982, the Debentures designated above will become due and payable in such coin

On February 15, 1982, the Debeniures designated above will become due and payable in such cain or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debeniures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maining after the Redemption Date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 13th Floor, 30 West Broadway, New York, N.X. 10015, or (b) at the main offices of any of the following: Morgan Guaranty Trust Company of New York in Brussels, Frankfurt am Main, London or Patis; Banca Vonwiller & C. S.p.A. in Milan; Banque Bruzelles Lambert S.A. in Brussels; and Banque Internationale à Lacumbourg S.A. in Luxembourg Payments at the offices referred to in (b) above will be made by check drawn on a bank in New York City or by transfer to a dollar account maintained by the payee with a bank in New York City.

Coupons due February 15, 1982 should be detached and collected in the usual manuer.

On and after February 15, 1982 interest shall cease to accrue on the Debeniures herein designated for redemption.

Debentures are presently convertible into Common Stock of Champion International Corporation

(formerly U.S. Plywood-Champion Papers Inc.), at the offices mentioned above, at the rate of 37.38 shares of such Common Stock for each \$1,000 principal amount of Debentures.

The right to convert any of the above Debentures called for redemption will expire at the close of

Plywood-Champion International Finance Company

13 16 34 36 48 53 58 64 70 71 79

Executives in U.S. sceptical of forecasters

By Our Washington

THE U.S. businessman places his trust in no particular economic forecaster, but if pressed will come up with a few well-known names himself.

This is the finding of a poli conducted by the Wali Street Journal and Gallup published yesterday. Of over 800 executives polled, one-third in large and medium companies said they did not trust any forecaster at all. In small companies, the propor-tion was even higher: 40 per

But those who did heed the advice of others seemed to hold in highest esteem Dr Henry Kaufman, the economist as Salomon Brothers, who earned 6 per cent of the vote at big companies, 5 per cent at medium, and 1 per cent at small.

He was followed by Mr Alan Greenspan, the New York economic consultant, and Professor Milton Friedthe economist.

In fifth place, executives rated their own personal judgment, with small companies laying specially large store by it. In sixth place came Mr Murray Weiden-baum, the chairman of the Council of Economic Advisors, who seems to be the most highly regarded government official.

The saddest comment, perhaps, is that executives put their own company forecasters in seventh place, and medium-sized firms did not rate them at all.

Salvador army 'retakes rebel held town'

The El Salvador army claims it has regained control of Joceaitique, a rebelheld town near the Honduran border, AP reports from San Francisco Gotera.

But sources with ties to the Farabundo Marti National Liberation Front have denied the army's claim and said guerrillas were still in control of the town 17 miles north of this capital of Morazan province.

Jouranlists and rescue workers were not allowed into the town, and the report could not be confirmed inde-

Jamaican GDP grows by 1.5%

Jamaica's economy grew by an estimated 1.5 per cent last year, the first increase in domestic product gress domestic product (GDP) for nine years, according to Mr Edward Seaga, the Prime Minister and Finance Minister, Canute James reports from Kingston. Mr Seaga said the small

GDP increase was significant, following a 5.4 per cent fall in 1980. Mr Seaga's Administration was elected in October promising economic

Montreal strike off

Public transport yesterday looked set to return to normal in Montreal after 6,700 bus and underground railway workers voted under govern-ment pressure to call off a sixday strike, Reuter reports from Montreal.

David Lascelles in New York examines the mounting criticism of U.S. monetary policy

Fed suffers as money supply problems grow!

The White House has been back on the offensive against a familiar scapegoat this week, the Federal Reserve Board, accusing it of undermining investor confidence by failing to keep the money supply under control.

President Ronald Reagan said at his Press conference on Tues-day that this shortcoming was giving "the wrong signal" to the money markets, and Mr Donald Regan, the treasury secretary, denounced Fed policy as "erratic" the next day.

President Reagan said the ecent spurt in the growth of the money supply had created uncertainty about what the Fed was up to, and businessmen wanted to be sure that interest rates and the inflation rate would continue to come down before they made big spending decisions. He pointedly refrained from criticising orthat matter—endorsing Mr Paul Volcker, the Fed chairman, personally. The President and the

Treasury Secretary's criticism was aimed specifically at the massive increase that the U.S. money supply has shown in the past couple of months—a surge that has alarmed Wall Street so much that it has been the major force behind the recent rebound in U.S. interest rates, a develop-ment that has dismayed foreigners and Americans alike. After meandering in a narrow range in the middle of the year, Wil, the most widely watched measure, suddenly broke out in November and rocketed upwards. Far from moderating, the rise accelerated so fast in the past few weeks that M1 has already used up nearly half the growth planned for it by the Fed for the whole of 1982.

This is puzzling given that the economy is in deep recession, and some analysts have dismissed it as a statistical quirk. But the recent weakness



markets reflects widely held fears that, whatever the reason, the Fed will be forced to harden up its monetary stance not just to bring money growth back under control, but to preserve its fragile credibility and reassure the world that it is still committed to the battle against inflation. Such is the uncertainty on Wall Street now that no one is sure whether the next move in the Prime rate will be up or down.

Whether the Fed is alarmed by events as people think is a matter for conjecture. But the behaviour of the money supply has once again raised questions about the Fed's techniques at a time when the Reagan Administration's budget halancing problems are already posing a severe test of its Three explanations for the

money bulge are making the rounds. The most widely accepted is that it marks the delayed "echo" of a temporary easing move by the Fed last autumn when interest rates were close to record levels and the economy was showing the be traced to factors like in deep recession at the start first serious signs of malaise. seasonal spending patterns, the of the mid-term election year.

uses to influence the growth of the money supply.

dace just as Mr Regan made If the Fed wanted to help

interest rates down, it succeeded in spectacular fashion. The bond market rallied 15 per cent in November, and the Prime rate droped from 18 per cent to 15‡ per cent, although some analysts warned that the price would be renewed money supply growth at year's end. The Fed halted this easing,

or "accommodation" as it is politely called on Wall Street, some time in December, which was when U.S. interest rates started rising again, suggesting that the Fed also anticipated a rebound in the money supply. Another explanation is that

the money bulge reflects the first stirrings of an economic recovery. This theory is not borne out by other statistics. But money growth of the order the U.S. has seen in the past month has always presaged a recovery in the past, although at this stage the economy may only have levelled out, not started its upward trek.

The view at the Fed has always been that the U.S economy is more resilient than most people think, and while its top officials may not be expecting a vigorous revival they are alert for the first sings of a rebound in demand. Then there is the statistical

quirk school which says that much of the money bulge can

bank reserves to grow at a New Year holidays on payaster pace. ments, and even the severe Bank reserves, which are the winter which has discupted building blocks of credit, are delivery of bank documents.
the main means the Fed now Bolstering this argument Bolstering this argument is the fact that M1's relationship

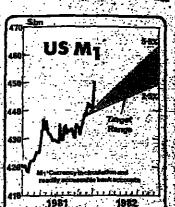
ne money supply. to other money measures, Pointedly, the easing took notably the monetary base, has become out of kilter since early his widely publicised plea to December. Before then, these the Fed not to overdo things, although the Fed denies, of converging. Now, MI has leapt course, that it heeds political converging. Now, MI has leapt ahead, reinforcing the view that something unusual is going on, not for the first time, given the trouble the Fed has had defining and steering all its "Ms." Meanwhile, the more measured pace of growth in the monetary base suggests the Fed has still got things basically

under control. The trouble with this technical explanation is that it has not consoled Wall Street, whose eyes are firmly fixed on the way MI has burst through the upper end of the Fed's target, especially after last week's huge \$9.80n rise, one of the

largest on record.

The mounting unease could be disipated if M1 falls over the next two or three weeks, "washing out" the bulge, starting with tonight's money supply report from the Fed which will have to show a drop of at least \$2hn to \$3bn to help. The Fed may also prefer to adopt a waitand-see stance, rather than tighten credit merely to eradicate a bulge which could vanish of its own accord.

That Mr Reagan should have taken the trouble to speak on something as technical as money supply growth this week shows, however, that M1 has been pitched into the political arena. Ironically, the burden of Mr. Reagan's comment was that the Fed should take a tougher line to bring M1 back under control -a rare call from a politician, especially when the economy is



The White House may be worried that things are happen-ing too soon. That over raphi money growth now will force the Fed to clamp down and see off another recession later in the year. Ideally, a smooth recovery starting in the spring could set things humining nicely in time for the November polis.

The Fed has never claimed to have perfect control over the money supply. And even though it admits it deliberately engin eered the increase in Mr. towards the end of last year to make up for the slaggish growth it showed earlier, the bulge is potent ammunition for critics who demand greater on sistency from the Fed.

Although a shift towards righter monetary policy now would look like gostop and possibly even jeopardise an economic recovery the odds would seem to favour it. Aside from the pressure that is being applied to the Fed to "do something," the Fed's underlying tendency is to be restrictive because of the dangers by the large Budget with Monetary policy, it believes will once again have it take most of the anti-inflation stain

Washington at centre of continuing UN controversy

BY DAVID TONGE

in New York ahead of Wednesday's Security Council vote on sanctions against Israel was grist to the mill of the swelling number of critics of the UN in the U.S.

The vote in favour of the U.S. into the use of its veto, having drawn from the U.S. chief delegate, Mrs Jeane Kirkthat the Security Council's role was to prevent an aggravation of the situation. The text of the motion, she said, would have the opposite effect.

Only last year. Mr George Bush, the U.S. Vice President and a former representative at the UN, said he did not believe "there has ever been a time in the history of the United Nations when it was more necessary for it to improve its credibility."

He also voiced Washington's anger at the UN "serving as a podium from which a radical nation or movement advances propaganda." Today U.S. officials are quick

to echo such criticism and to restoring amour propre," is the complain at the disproportionate more languid British comment weight which they believe the one-nation one-vote system of the 157-member UN General Assembly gives to countries such as Belize with a population of 154,000 and Vanuatu—population 80,000.

They also cite public opinion polls which show that respect for the 37-year-old body in the

U.S. is falling.
Other polls however show
that fewer and fewer people in
the U.S. believe that Washington should withdraw from the UN as a whole, in the way it did from the International Labour Organisation over a

period of two years.

However piqued by its continuing near-isolation over the the issues of Israel and South

THE SCUFFLING in the month elected the Peruvian corridors of the United Nations career diplomat, Sr Javier Perez de Cuellar, as its fifth Secretary General, contains much the U.S. and other critics of the system value deeply.

One of the successes of the

50 countries who gathered in the San Francisco Opera House Jordanian call for "concrete in 1945 was that they created and effective" retallatory a scheme with something for measures against Israel for its everybody. Change now would annexation of the Golan Heights involve reopening the UN's was overwhelming, pushing the charter-and none of the major powers are prepared to take the risks involved. For the major powers, the patrick, the testy observation UN's main virtue-indeed a

sufficient reason for them to send some of their senior diplomats to New York-is the Security Council. It is the one UN body with real teeth. It alone can impose

mandatory sauctions or take military measures. Yet, it preserves a balance by allowing the five major powers as they emerged from World War II—Britain, China, France, the Soviet Union and the U.S.—the right of veto. "It is serious, small enough,

and has a real say," in the official U.S. view—even if at times such as Vietnam it has sometimes acted to keep the UN out. "A safety valve for considering such incidents as Israel's bombing of Iraq's Over the years, the Council

has become a weapon for forging public opinion, but its central role in world peacekeeping is more important for most of its major members. The Eastern bloc, recalling

Korea, normally avoids financ ing involvements such as that of the UN forces in the Middle East. The West is now squarely behind the UN practice of sending buffer forces into troubled Brian Urquhart, the

Under Secretary General of the UN-for special political affairs and a man involved in most of the UN's major crises, argues: Africa, Washington says that "On many occasions when its policy is to "stand and regional conflicts have shown fight." For the UN, which last

The U.S. mission at the United Nations is keeping a computerised record of the votes cast there by other nations and will not ignore votes against U.S. interests, a mission official said yester-day, Reuter reports from Washington.

He said the zim of the record was to show other delegations that they were responsible for their actions.

The official, who asked not to be identified, was speaking to reporters at a lunch held by the Heritage Foundation, conservative

tion between nuclear powers, those powers have very effectively used the machinery of the Security Council as a device for altering course away from confrontation." He cites the 1962 Cuban missile crisis and 1973 Middle East war.

He accepts, however, that the UN has failed to enforce the peace in the way foreseen in those hopeful days when the UN Charter was drafted and has failed to develop from an institution into a constitutional body laying dow body laying down the law for the world.

Reform is no more likely to lap at the General Assembly, UN showpiece for many small countries. The rhetoric, jragon and bombast are the despair of the West but the Assembly like the Security Council cannot be touched without risking the whole.

While recognising Assembly'se value as a safety valve for smaller countries, U.S. diplomats say all they can do is make sure that their doughty representative, Mrs Kirkpatrick "jumps up and down when we see meanness. We make it clear that countries cannot criticise us and expect to get away scotfree."

Further, the Americans have also resisted attempts by the General Assembly to take itself

was making a series of studies of the UN. The foundation's first report, issued yesterday, gave

organisation, which said it

a generally negative view of the world body which it accused of seeking to redistribute U.S. resources and of giding terrorists.

It said inflammatory rhetoric at the UN repeatedly.

condemned the U.S. as imperialist and a threat to. world peace.

fore, the worth of the UN is more suspect than at any time in its history," it said.

new powers to itself, in particular to control or "guide" the International Monetary Fund and the World Bank. Much of the criticism of the

UN is directed at the activities of the Assembly and its off-shoots. One of the most forceful recent attacks came from Baron Ruediger Von Wechmar, the West German diplomat and president of the last General He complained that in 1980

the UN had 1,170 days of meetings at its New York headquarters and in Geneva; the General Assembly lost 168 hours because of late starting; and the Third World countries are UN produced so many docu-

criticisms of the abstruseness trating on the waste of time and. But one problem has beset money. In particular, it has the UN throughout its history looked at the operation of the Nations are reluctant to give 18,000 strong UN secretariat away authority and the work of the 17 The UN has fallen short of specialised UN agencies such as its founders ideals for this the Food and Agriculture more than most other reasons. Educational, Cultural Organisation

January 1982.

from its hold on the UN's pursestrings. The U.S. contributes 25 per cent of the body's regular budget \$596m for 1981-and EEC members a further 27.3 per cent

Last March, the 16 major Western contributors agreed in Geneva to block increases in this budget in the next two years and to follow a similar line towards the agencies. This tougher approach was under lined in November when Britain among other countries mounted a challenge to the

The West claims that it is making slow progress in some areas. It may have long criti-cised UNESCO for straying from its mandate to deal with education and culture into politics, but this week EEC diplomats were expressing the hope that M Amadon M Bow, the director general of UNESCO, 5 had begun to accept their concern over attempts to introduce a new information order.

restricting journalists.

Now Sr Perez de CneHar is being urged to come to grips with the UN secretariat, where he orice worked, although he has already prompted some concern in the West by his stress on the UN's need to concern itself with development, not just with peace. An increasing number

ments that two years' output on the development issue, would "easily pave our way to Many believe development is the moon." In 1980, it pubthe UN's mission for the 1980s lished nearly Ibn pages of document with the UN's mission for the 1980s. looking to the UN for answers There are many who share his that there are at least prospects that there are at least prospects of Namibian independence in and livelevance of many UN that the UN's continuing resolutions, but with a restructuring of the UN out of the quessigns of being restricted to the tion, the West has been concental Middle East.

Organisation (FAO) and the UN and become only "the best Educational, Scientific and United Nations we have," as Lord Carrington, the British The West's leverage comes Foreign Secretary, has put it

UN group approves funds for African news agency

BY DAVID TONGE

A UNITED NATIONS working group agreed this week in Acapulco, Mexico, to give \$1.5m (£80,000) to help launch an African news pool. The project for the Para-African News News 1 to 1900 to take some of the PDC to take some of for the Pan-African News sting out of the debate. Agency is one of 150 such schemes costed at over \$90m which the Third World is backing in order to reduce its dependence on Western news

The agreement was reached on Wednesday night by a work-ing group set up by the International Programme for the Development of Communica-tions, a body of 35 rich and poor countries set up as a result of day.

They believe the IPDC should

act as an clearing house for projects to help developing countries' communications and have refused to make significant contributions, but other countries ch as France have agreed to help IPDC become a fund to finance new projects.

The results of the working group have to be endorsed by a full meeting of IPDC on MonThis announcement appears as a matter of record only. Newfoundland

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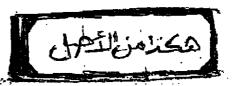
This financing has been arranged privately through the undersigned.

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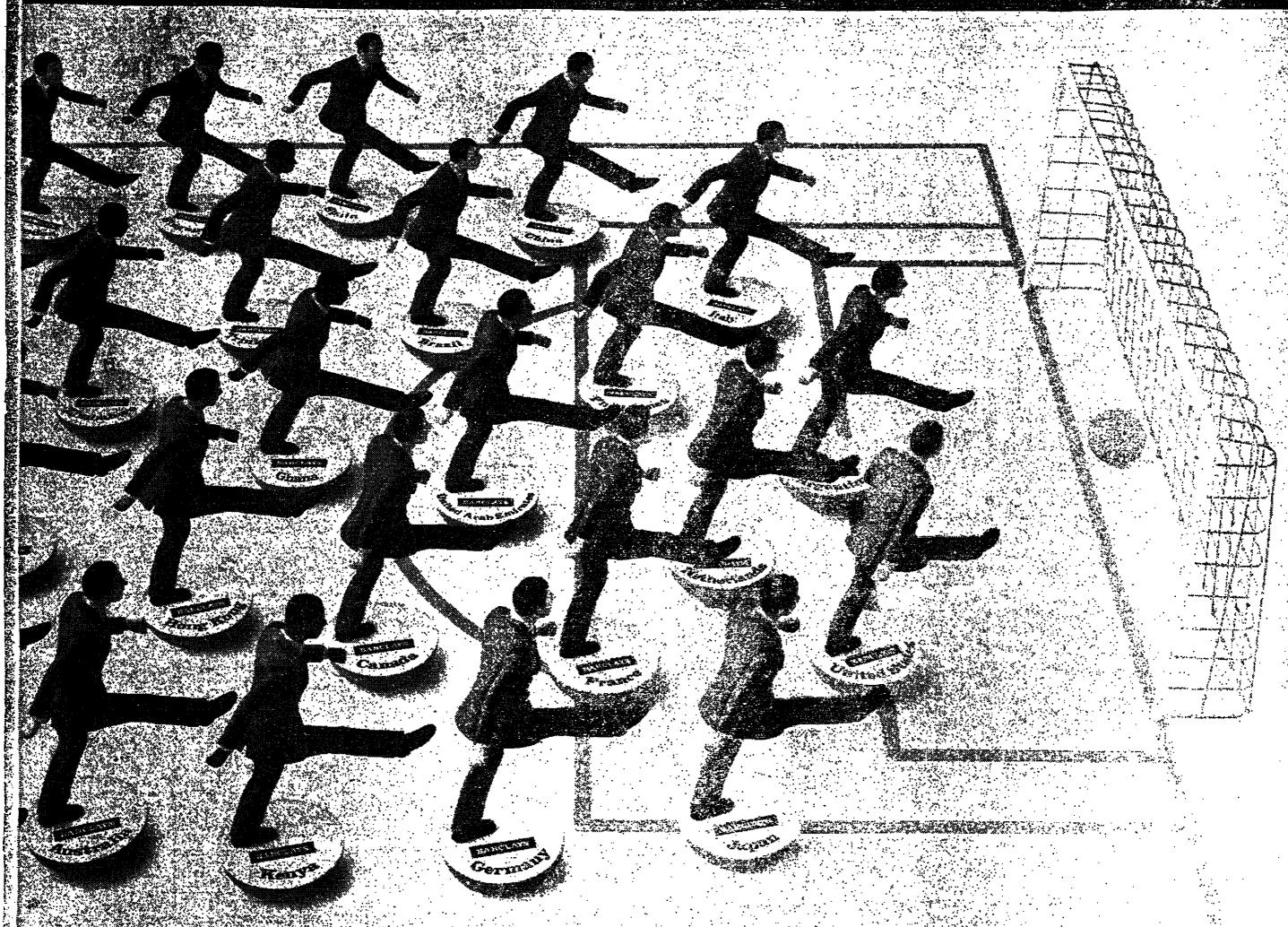
First Marathon

Dated: January 15, 1982 the long and bitter debate over The next round in the long Dennis R. Wing, Vice President & Director (416) 869-8707 a "new world information order" in Unesco, the UN Edubattle over the new information order is to fought in Paris later The following Debentures previously called for redemption have not as yet been presented for cational, Scientific and Cultural this year when debate starts on Many Western countries fear for 1984-89. In 1983 the argu-DEBENTURES OF \$1,000 EACH this new order could legitimise ment could again rage during state control over journalists the body's general conference.

man



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PEOPLE WHERE IT COUNTS.

Sinai settlers hang on in hope

AN AIR of decay and incipient violence hangs over the Israeli settlements in north castern Sinai, which are to be evacuated and handed over to Egypt when Israel makes its final withdrawal from the peninsula in

The sands of Sinai are drifting back over the fields and roads of the settlements. Skeletons of abandoned hot-houses are stark reminders of the agriculture which once flourished there. In the Yamit agriculture urban settlement, most houses are shuttered as the population dwindles in advance of the

However, not all the settlers have left. Some are hanging on demanding more compensation for their small businesses, some hope that the withdrawal can stopped and some new settlers have arrived to try to halt by force the evacuation from what they consider to be part of the Biblical land of

Israelis who lived on the dozen northern Sinai just south of the have moved out to rebuild their homes and farms in Israel, aided by generous compensation from the Government

The main groups which are still holding out until the last minute are the anti-peace organisations and the businessmen who believe they are being short-changed by the compensa-

Yamit, when they barricaded the small town and burned withdrawal from Yamit as Government buildings. In spite traumatic as possible, so as to of Government claims to the stave off future pressures for

Border disputes remain

CONSIDERABLE differences remain between Israel and Egypt about where their new border should be, even though there are less than 100 days until Israel's final withdrawal from Sinai, David Lennon

Sixteen horder points are in dispute, the main problem areas heing at the northern end where the border bisects the town of Rafah and in the south where it runs close to

contrary, they have some justification for complaint, as on average they will each receive around 1m shekels (£33,100) for their homes and businesses, compared to almost 7m shekels paid out to many of the farmers. Mr Aviatar Rochin, general manager of Bar-Ram Irrigation, which set up one of its plants.

Less than half of the 4,500 in Yamit, says that the compensation offer is totally inagricultural settlements and adequate. His company exports one urban settlement built in more than \$1m (£531,000) worth of irrigation equipment a Gaza strip still remain. Many year. The closure and relocation of his plant cannot be covered by a £30,000 compensa-

tion grant. There is more than a suspicion in the minds of Yamit businessmen that the Government has deliberately pro-longed the negotiations with them for political purposes. Mr Motti Ben-Yannai, who tion being offered to them.

The businessmen were responsible for the recent violence in sible for

ernment wants to make the

withdrawals from the West Bank and Gaza." The impression that Government is not too unhappy about the uproar over Yamit and the other settlements is reinforced by its failure to take any action against the zealots of the Gush Emunim movement who have infiltrated the settlements in recent weeks to

> Knesset (parliament), one of whom, Rabbi Haim Druckman, is a deputy minister in the Begin Government. Hundreds of these squatters have moved into abandoned homes in Yamit and nearby agricultural settlements. They have vowed never to leave and

speak of passive resistance to

oppose the withdrawal. They

include three members of the

Most of Rafah lies within the Gaza Strip, but since Israeli occupation in 1967 the

town has expanded into Sinai. Re-creating the former border

may separate families from

their work or their fields. The problem in the south

is that an Israeli holiday vil-

lage and an almost completed

hotel lie just south of the 1948 armistice line but north

of the border agreed in 1906

the evacuation, claiming abhor violence. But among them is a smaller group of fanatics, who are followers of Rabbi Meir Kahane, who has been jailed a number of times for preaching violence against the Arab inhabitants of Israel and the occupied terri-

of the Settlements Committee, believes that they may take up arms to resist evacuation. "It is no longer a secret that a Kamikazi underground exists in the Yamit area. They do not consider that one or two killed would be a disaster when you are talking about stopping the withdrawal," he says.

In spite of urgings by the Minister of Justice and the Attorney General, the cabinet has failed to take any action to expel extremists who have squatted in the empty buildings. have helpe dthem by admitting their children to the local school and have connected their houses to the electricity and water grids.

It is generally expected that the 90 businessmen in Yamit will be properly compensated eventually, either before the final evacuation or soon after. But about 30 families among the original settlers will stay to the end, in the hope that the final phase of the peace treaty will not be implemented. Mr Yossi Mass, a veteran of the Sadot settlement and an activist among those opposed to withdrawal, says they have received encouragement in their stand government officials. whom he would not name.

Watching the death throes of the settlements with amusement, are the nomadic Bedouins, who live in the Rafah area of Sinai, which Israel renamed the Yamit Solient. At the beginning of 1972, about 1,500 Bedourn families were evicted from a 33,000-acre area south of the Gaza Strip to make way for the

Since then they have been But before this can happen, forced to live outside the wire those who evicted the Bedouins,



Israeli children play in a sandbagged trench dug by Yamit settlers

fences surrounding the settlements, only being allowed back into their former grazing and subsistence farming lands as day labourers for the settlers.

The Bedouins are unanimously happy that the settlers are being evicted and plan a big celebration when the Egyptians return. The only dispute among the nomads is whether the settlements should be razed to the ground, as the elders would like, or the keys to the Israelibuilt homes be handed to them, as the younger men favour.

will have first to be evicted. This may prove to be far from easy. Mrs Ella Weizman, a representative of the "Stop the Withdrawal" movement, claims that her organisation will be able to calle on tens of thousands of Israelis to join them on evic-

Mr Avi Farhan, of the more radical Maoz (Fortress) group, also claims that tens of thousands of his supporters will come to the area to stop the withdrawal. He says that if the army tries to evacuate the settlers by force, there could be serious

Angry Arabs consider next move on Golan

BY IHSAN HIJAZI IN BEIRUT

Council on Wednesday night against a resolution imposing voluntary sanctions against Israel over its annexation of

the Golan Heights.
Syrian President Hafez alAssad said the international
community should "act against. the aggressor (Israel) and the protectors of the aggressor (the United States) before it is too

A radical Palestinian guerrilla group, the Democratic.
Front for the Liberation of Palestine, urged a prompt oil boycott against the U.S. Arab states should also withdraw deposits from American banks, Poland

possible resolution against Israel, yesterday considered taking the question to the General Assembly, where there is no power of veto.

A much tougher resolution than the one rejected in the Security Council would he adopted if the Arab states and been expected the fact that the their Communist and non-Reagan Administration went aligned supporters took that ahead and cast it came as some

SYRIA and other Arab nations agenda for further discussion Mr Nusseibeh said that a reacted angrily yesterday to the Mr. Nusselbeh said that a veto cast by the United States move to transfer it to an emer-at the United Nations Security gency special session of the gency special session of the General Assembly was probable and Arab Fereign Ministers would meet soon to consider

tactics. The move would allow delegates to castigate the U.S. for blocking the will of the majority in the Council and serving once again as Israel's protector. Mrs Jeane Kirkpatrick, the American delegate, who is

politically, perhaps even more conservative than U.S. President Ronald Reagan, compared the Council's concern over the Golan Heights with the UN's failure even to talk about the "massive, brutal repression" in

The resolution the U.S. vetoed Arab delegations at the UN. was "an aberration, even a thwarted by the veto of what perversion of the very purpose they regarded as the mildest of the Security Council." she

said.
In Beirut, the Leffist Press joined in deploring the U.S. stand and Saudi Arabian newspapers called on Arab countries to close ranks as the only way to realise Arab rights.

. While an American veto has what of a shock to many Arabs, Before the council adjourned, diplomats here said. The move the Jordanian delegate, Mr. is bound to prove embarrassing Hazem Nusselbeh, asked that to America's Arab friends such the question be left on the as Saudi Arabia, they added.

Angola denies plan to negotiate with Unita

BY OUR FOREIGN STAFF

ANGOLA yesterday denied had been told by officials that reports that it has offered to reports in the international negotiate with Unita insurgent Press that the Angolan authoriforces about ending the civil ties had sent a message to war in the country. "puppet groupings" had absowar in the country.

Dr Jonas Savimbi, the Unita lutely no foundation in truth. leader, claimed that he had received a message from Luanda inviting him to begin reconciliation talks over the war, which began nearly seven years ago, when the former Portuguese colony became inde-

He said that Unita was always

agency, said yesterday that it

to sue for assault

a coup against the Government of Mr Robert Mugabe.

One of the main obstacles between the two sides is the presence of Cuban forces, supporting the MPLA forces. Government's Reuter adds from Lusaka:

Ministers from eight black African states and leaders of uproar from black MPs yester-day that Mr Stuttaford had ready to negotiate, and con-the South-west Africa People's tacts would be made through Organisation (Swapo) are to intermediaries for at least the meet in Lusaka tomorrow to next two months.

meet in Lusaka tomorrow to discuss the latest Western pro-Angop, the Angolan news posals for Namibian independ- being investigated.

Zimbabwe MP

SALISBURY - Lawyers for the detained white Zimbabwean MP Mr Wally Stuttaford said yesterday he had been repeatedly tortured and beaten in an attempt to force him to change his statement of innocence of plotting

Mr David Wadman, the MP's solicitor, said he would bring a High Court action for assault and damages.

The leader of Mr Stuttaford's Republican Front Party, former Prime Minister Mr Ian Smith, told Parliament amid

been tortured. A police spokesman said yesterday that the allegation was

OFFSHORE SEARCH

Promising oil find in S. Africa

BY J. D. F. JONES IN JOHANNESBURG

SOUTH AFRICA'S Governmentcontrolled oil exploration organisation has claimed promising results from its recent offshore search south of Mossel Bay in the Cape.

Dr P. J. van Zijl, managing director of Soekor (Southern Oil Exploration Corporation) said in a statement that the second of eight boreholes in this area in 1981 had yielded very promising results in terms of gas and light oil. "In spite of the fact that the

reserves are smaller than originally anticipated, the find remains of great value and if further discoveries should be made in the vicinity, a reserve that is big enough to sustain

Arms cache found

Caches of Soviet-made rifles, hand grenades and limpet mines have been found in isolated areas of eastern Transvaal and northern Natal. police said yesterday, Reuter reports from Pretoria. Three men suspected of belonging the hanned African National Congress (ANC) were arrested and will appear in court soon, a spokesman

established," added Dr van Zijl. In 1981 Soekor drilled 15

in 1980. Four of the eight bore-holes drilled in the Mossel Bay area had produced gas at a rate considered economic, plus light oil Provisional estimates suggested that reserves in the area might be between 0.3 and 0.4 trillion (million million) cubic

feet of gas. The South African Govern ment has been searching for oil for many years, so far without significant success. It is in response to this disappointment —and its awareness of the threat of international sanctions—that South Africa has concentrated on developing major oil-from-coal facilities which now supply nearly 50 per cent of the republic's oil

step up action

By K. K. Sharma in New Daihi

MORE rebel activity is expected in th troubled state of Mizoram in north-east Indi following the Government's decision to ban the Mizo National Front, which is seeking to secede from the Indian union.

A bloody insurrection was launched by the front a few years ago and the Indian Army is presently heavily involved in the state. Mizoram lies on the India-Burma border and rebels find it easy to cross over to escape pursuing troops.

Prime Minister Indira Gandhi has been holding talks with the Mizo leader, Mr Laldenga, on a settlement, but his arrest thought likely following the

Indian rebels to Khmer fighting 'not major battle BANGKOK - That and

Western military officials said yesterday they did not think that fighting this week between Khmer Rouge guerrillas and Vietnamese led troops near the border with Thailand marked the beginning of a major day sesson. ning of a major dry season offensive in Kampuchea. About 3,000 civilian follow-

ers of the Khmer Rouge crossed into Thailand to escape Vietnamese artillery and mortar barrages.

About 1,600 Victnamese troops are believed to be involved in the lighting, but a That military official said: "the lighting is not on a scale that would werry us." That troops who patrol the frontier. have been stood down from full alert.

WORLD TRADE NEWS

Turkey signs trade accord with Moscow

BY METIN MUNIR IN ISTANBUL

TURKEY and the Soviet Union ever, the Turkish Foreign have signed a trade agreement Ministry has described it as and expect two-way trade to "routine." reach \$600m (£315m) this year. The agreement, reached in of Soviet project credits, Turkey Ankara, is a clearing arrangement and is hammered out apply sanctions. annually. It stipulates an in-crease of about \$200m for the the main items to be exchanged trade realised last year.

for Turkey this year, coming Turkey's requirements, and at a time when the U.S. is Turkish livestock, foods, textiles urging its allies to apply sane and tobacco. tions against the Soviet Union over Poland. The U.S.

The U.S. embassy in plant in S. Ankara has told the Turkish expanded.

n polyphenylene oxide, the pasis of Noryl, which is at pre-ent imported from its Selkirk.

the two new factories will both tart production in 1984.

pod producers and industrial

Vest Germany has become the

orld's fourth largest exporter f agricultural products. These re themes at the "Green

7eek" agricultural exhibition,

1 West Berlin, which opens

Last year, West Germany imported DM 47bn (£11.1bn) in

gricultural products and was

food. However, its agricul-

iral exports expanded by a cord 26.6 per cent to DM

General Electric plans

GENERAL ELECTRIC is to real capacity of the new Dutch

York plant.

General Electric also Lexan is a tough plastic with high resistance to heat and is solyphenylene oxide plant, contily with Mitsui, in Japan, aircraft industry and, in its

VEST BERLIN has become the 21.8bn, which placed it after ferman test market for foreign the U.S., France and the Neth-

le world's largest net importer Berlin as a self-contained test

thermoplastics plant

BY CHARLES BATCHELOR IN AMSTERDAM

company declined to re- perties

Agricultural fair opens

was hardly in a position to are Soviet fuel oil, chemicals Its timing is embarrassing and electricity for eastern

As a neighbour and recipient

The Soviet-built steel plant in Iskenderun and an aluminium The U.S. embassy in plant in Seydisehir are being Ankara has told the Turkish expanded. The Russians are Government that it was not also helping Turkey to build a pleased by the agreement. How- thermal power plant.

A decision has yet to be taken

on the final phase—to build a Noryl compounding plant and

transparent form, as security glass. Noryl has similar pro-

Food is the fourth-ranked

West German export after vehicles, electrical engineering and mechanical engineering

products, Italy is by far the big-gest buyer of West German food followed by the Nether-

lands, France, Belgium and the

These countries use West

market to try out new food

products before they go on sale

Indonesia takes tough line with investors

By Richard Cowper in Jakarta

INDONESIA has announced measures to force foreign companies to abide by the controversial counter-purchase policy which took effect at the beginning of this month. Companies not complying with the scheme, criticised by

some suppliers as unworkable and discriminatory, will face heavy fines, according to a senior Government official. Under the counter-purchase

scheme overseas companies winning government procurement and construction contracts must arrange for the export of an equivalent value of Indonesian non-oil and non-gas products. The scheme does not apply to contracts worth less than Rupiahs 500,000 (£410,526).

Mr Soedharmono, Indonesia's Secretary of State, and a close adviser to the president, said that foreign companies would face heavy sanctions if they did build a \$105m (£55.2m) plant plant but said it will employ 75. to make its "Noryl" range of It is part of a \$200m expansion thermoplastic resins at Bergen at Bergen op Zoom. A \$26m plant to make the polycarbonate "Lexan" has already been computed operation self-sufficient pleted. not meet their obligations under the new law. "Foreign suppliers who fail to

carry out their obligations will face a fine equivalent to 50 per cent of the value of the goods they are supposed to export. In this way, overseas suppliers will be prompted to abide by the counter-purchase requirement, Mr Soedharmono said. Details of the scheme, which

is aimed at reversing last year's dramatic fall in non-oil exports are still emerging. Mr Radius Prawiro, Indo-esia's Trade Minister, nesia's Trade Minister, emphasised earlier this week nesia's that four types of government purchases would be exempt from the new policy.

■ Those financed with soft-term credits from the World Bank, the Asian Development Bank and others. • Import purchases by com-

panies which have joint ventures with Indonesian stateowned companies. The domestic component element in a contract won by a ioreign company.

 Professional services used by envernment agencies. With perhaps as much \$10bn worth of government contracts in the pipeline the new policy could affect about \$2.5bn

Soviet Union to buy Indian cotton textiles worth £105m

THE SOVIET UNION has agreed to buy 200m metres of cotton textiles from India this year worth about \$200m (£105m). The move follows talks between the two countries on a long-term textile contract in which the Soviet Union is interested.

The Soviet order comes as the Indian textile industry faces a recession and inventories are piling up in mills throughout the country. In addition, 60 mills in the

Bombay region began an indefinite strike from Monday.

The Russians are interested in buying fixed quantities of Indian textiles over 20 years to make up for their own shortages. They have offered to help the Indian industry to expand and this will involve creating additional capacity by importing textile machinery from Russia.

The Russians have indithat their imports

would amount to 500m metres a year for the next 20 years. This is much more than India exports to the rest of the world and there is considerable reluctance to divert shipments to Russia from areas which pay in hard currency—under an Indo-Soviet trade agreement, trade settlements are made in Indian rupees or in goods. However, textile industry officials say that Soviet machinery is obsolete and

that they would prefer to establish the additional capacity needed either from Indian manufacturers or from western Europe. This involves the question of financing, which has not been discussed with Russia.

The Indian Government is also taking care to obtain commitments from textile exporters before entering into any long-term arrangement. This is because, despite protests to Western countries.

India has not been able to export sufficient quantities of texiles to fulfil the quotas allowed under the Multi-Fibre Arrangement.

Another agreement signed with the Soviet Union this week provides for the export of 200,000 tonnes of rice from India in exchange for crude oil of an equivalent value. This is part of India's commitment to export 600,000 tonnes of rice to Russia in. exchange for crude oil.

Britain offers further £10m to help improve coal industry

BRITAIN has offered another 10m for modernisation of the Indian coal industry in addition to the £20m given last year.
The offer was made at the fourth Indo-British coal steering committee meeting which ended in New Delhi on Wed-

The British team at the surveys British technology will meeting submitted a feasi- be used to find new coal rebility report for the development of the Ghusick coal mines in India. The Indians indicated they would require high technology from Britain.

The two countries have in Indian mines because of the Mahajan agreed to make joint seismic use of obsolete mining methods. Energy.

The EEC had recently given

Japan a list of requests con-

cerning moderation of her ex-

ports in sensitive sectors. Surveillance of exports of cars,

colour televisions and some numerically-controlled machine

tools had been introduced; how-

ever, unless there was an im-provement, Western countries might have to introduce "in-dicative figures of acceptable levels of imports."

Reuter reports from Tokyo: Mr Zenko Suzuki, the Japanese

Prime Minister yesterday pledged further efforts to solve

trade friction with Western

nations as Japan came under

renewed pressure to make its

markets more open to imports. Mr Suzuki said Japan is ready

to bear greater responsibilities

for ending friction with its

trading partners. Mr Mike Mansfield, U.S. Ambassador to

Japan, who is on home leave,

sent a letter to Mr Suzuki

yesterday asking Japan to

reduce trade barriers.

serves in India. A major area of collaboration will involve mining for about 2bn tonnes of superior grade coal that is standing in pillars in Indian mines because of the

Meanwhile Mr Kenneth Baker, British Minister for Technology has revived his government's effer for setting up a 1,000 Mw thermal station in India. The offer was made at a meeting with Mr Vikram Mahajan, India's Minister for

The British proposal involves a financing package of £240m consisting partly of grants and partly of export credits. The offer is being examined by the Ministry of Energy and is likely to be accepted in view of a serious power shortage in India

Jenkin issues caution on Tokyo imports promise

BY MAURICE SAMUELSON

APAN'S latest promise by her present impede wider use of International Trade Minister to the yen in international trade; open her markets to foreign imports would be measured by the extent to which it yielded early results, Mr Patrick Jenkin,

The EEC had recently given Britain's Industry Secretary, said in London yesterday.

He was commenting on the pledge of "drastic" action given last weekend by Mr Shimtaro Abe, Japan's new International Trade Minister, at the conference of industrialised countries at Key Biscayne,

Welcoming Mr Abe's pledge, Mr Jenkin also listed previous Japanese statements which had failed to satisfy Western attempts to expand sales to Japan or to bring about self restraint by Japanese exporters. The latest free trade pledge,

he said, could "only be judged by results," and by the extent to which "a new attitude to international trade" permeated the whole of Japan's economy. In order to fulfil Mr Abe's pledge, Mr Jenkin continued, Japan might have to take "very. sifficult decisions," such as changing regulations which at

The EEC-U.S. discussions will centre on the serious strains imposed on the transatiantic relationship by the recent spate of anti-dumping suits filed against EEC steelmakers by their chief U.S. competitors, and on the further threat of U.S. Government action against EEC agricultural exports.

Davignon, the Industry Com-missioner, Mr Paul Dalsager, Agriculture Commissioner, and has overall responsibility in the Commission for external rela-

following the mid-December trip to Brussels of four Reagan Cabinet members, headed by Mr Alexander Haig, the Secretary of State, to review trade problems. But it takes place in

EEC moves to defuse trade rows with U.S.

BY GILES MERRITT IN BRUSSELS

top-level European Commission team visits Washington on February 8 for three days of

The European Commission team includes Viscount Etienne Herr Wilhelm Haferkamp, who

The visit is formally a return a climate of declining goodwill Western on both sides, and is being seen countries.

FRESH ATTEMPTS to defuse in Brossels as an important bid worsening U.S.-EEC trade to halt the present slide towards tensions will be made when a a trade war. a trade war. The European Commission earlier this month hinted that

it might have recourse to action under the General Agreement on Tariffs and Trade to defend EEC steelmakers' interests. The U.S. Government has lately mentioned the possibility of GATT action to stem EEC world sales of grain.

Community member govern-ments have also backed the Brussels Commission's rejection of U.S. charges that EEC steel exports there have seriously disrupted the U.S. market, • The U.S. International Trade Commission (TTC) has tentatively scheduled a conference for February 3 on a large number of import complaints filed by domestic sized producers. ITC officials said, AP-DJ reported from Washington

This would be, in effect, the first formal Government hearing on charges filed by U.S. steelmakers against imports of carbon steel products from Western Europe and other

Ford heads **Danish** car market

By Hilary Barnes In Copenhage wy reasy sames in copeningen car models, the Skoda and the Lada, increased their joint share, of the Danish car market from 6.4 per cent in 1980 to 12.2 per cent last year, when they sold 8.765 cars, according to the Association of Auto Importure porters appness models suffered a set-back their market share fall-ing from \$0.9 per cent in 1980 to 24.5 per cent with 17,396 cars sold:

gord, which carried out a price cutting sales campaign, became the leading make, hicreasing its market share from IRS per cent to 154 per cent to 154 per cent to 154 per cent to 154 per cent to 164 per cent such and selling 11,093 cars, pushing General Motors into sucond place with 125 per light of the market and sales of 5,961 cars.

BLA share of the market fell from 10,965 per cent to 1.65 per cent path 1,163 cars sold act was the lowest for che deal was disasticus for che deal was 151,888 compared with 73,774 in 1989 and 127,114 in 1979. The record was 151,884 in 1978. ord, which carried out a price

Tootal ends fabric Port dispute printing and sheds 600 jobs

TOOTAL THE UK's third begun

shrink by one-third in the past two years, will not print fashion fabric in Britain.

Tootal resterday blamed the closure, which will be put into effect over the next few months. effect over the next less manuals, on a persistent decline in demand 'k'for such fabrics, erosion of cash margins and growing imports of fabrics and

The closure will lead to 470 redundancies at the plant, a further 100 in marketing and administration elsewhere in Manchester, and about a dozen redundancies in marketing at both London and Luton.

for other manufacturers.

The company introduced a single-shift at Strines two years ago and cut administration staff

Tootal said this move "unforthese works." It has already in 1980 to £74m last year.

biggest textile company, is to representatives on the closure. close Strings, its Manchester Tootal claims to be the fabric printing plant with the seventh biggest textile and clothing group in the world.

As a result, the company, which has seen its workforce twice as many overseas as in twice as many overseas as in

Last November, the company announced three smaller plant closures. These included Edward Macbean, Glasgow, a company specialising in water-proof clothing.

The other two closures were Humphrey Lloyd shirt factories Manchester and St Helens. The three closures caused 255 redundancies.

The Tootal amouncement is the latest in a long line of closures and cuts in the textiles industry.

A survey earlier this week of Tootal's fabric printing plant 180 public companies engaged has not only been supplying in textile and clothing showed companies in the Tootal group, that their pre-tax earnings had but has also carried out printing fallen to £395m last year—a drop of more than a third of the

previous year's figure.
The clothing manufacturing sector, though suffering a subin an attempt to stem losses, stantial fall in profits, did not which were already becoming fair as badiy as carpet making serious. That measure resulted or the spinning and weaving of in 260 redundancies.

Control wool and alread fibres. Pre-tax earnings of the 18

tunately proved insufficient to vertically integrated groups stem the continuing losses at surveyed collapse from £204m

cost Trio Lines up to £30m

TRIO LINES, the international shipping consortium. hopes to begin using the Port of Southampton again soon, despite the fact that the port's 10 months of almost coptinuous closures has cost Trio -- its biggest customer—up to

Mr Michael Leslie, heading Trio's team negotiating a new contract with the port, said he was delighted with yester-day's British Transport Docks Board, agreement with its workers who are to return to full shift work tomorrow. Trie last used the port in

Mr Leslie's team met with port officials again yesterday, but he emphasised there are problems still to be resolved after months of negotiations. A 10-year contract between Trio and the port ended on Monday.

His comments are encourage ing for Southampton, which is faced with the task of winning back busine Mr Leslie is UK assistant

general manager of Nippon Yusen Kaisha, one of two Japanese companies in the five-line consortium, which the Far Eastern operates

John Griffiths looks at the tangled finances of the Belfast car group | Increase in

Government plans tighter grip on De Lorean private

his executives in Belfast and New York should by now have a pretty clear idea of how the Government plans to exert greater influence on the car company for which it has pro-vided £66.86m in cash and £10m in bank guarantees.

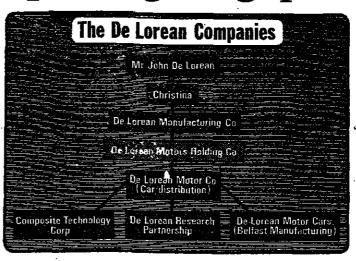
The pace of events in the past two weeks, with De Lorean seeking a further £30m in aid and with 1,000 johs now at risk, has served to obscure the significance of a pre-Christmas Com-mons answer by Mr Adam Butler, the Northern Ireland Minister of State.

In it, he said the Government has decided "in principle" to extend guarantees for existing bank loans. The details of conditions for doing so would be given later.
Thus, well before Christmas,

De Lorean's board knew that the price for the guarantees be-ing confirmed was likely to be a firmer Covernment grip on the company's affairs. Mr Butler's statement in the Commons this week that the guarantees would be extended, but that a major review would be made of the Government's role, is partly retrospective.

The process is already in train, and De Lorean's latest predicament has served only to strengthen the Government's resolution.

It is covering ground of considerable complexity, both in fast company was £546,000 terms of the structure of the saveral entities common to the Bellium to the Bel several entities comprising the £1 stock.



De Lorean enterprise and the existing Government relation-ship with it.

All Government funds injected into De Lorean have been through De Lorean Motor Cars, the Belfast manufactur-ing subsidiary. It is in this company that the Northern Ireland Development Agency holds its £17.8m equity stake, in £1 redeemable participating pre-ference shares, of which it is the sole holder.

De Lorean Motor Company of the U.S., the sales and distri-bution company, is its parent,

But DMC controls it, because it has 90 votes per share against the 1 per share of the Northern Ireland Development Agency'

De Lorean Motor Company itself is controlled by John De Lorean, who holds 10m of the 11.5m common stock through De Lorean Manufacturing Company, which makes tracked snow vehicles among other activities. That company is in turn wholly owned by a group named Cristina (the name of Mr De Lorean's wife) a Nevadabased corporation, again wholly owned by Mr De Lorean.

of this year to abandon a numerically, and a planned public share issue for new appointments.

\$12m, another link in the chain was to be added. This was the creation of De Lorean Motor Holdings, to which De Lorean Motor Company (DMC) and the Belfast company would have become direct subsidiaries. That flotation would have flotation would have put a paper value on the company of about \$200m, of which 54 per cent would have been De Lorean's.

As it is, the holding company for the moment remains, as one executive put it yesterday, "just a piece of paper."

There are other complications. Also entitled to a return from the enterprise is the De Lorean Research Partnership, a goup of private investors who put up \$15.5m at an early stage and who are entitled to up to 23.5 per cent of DMC's profits, or as an alternative royalties of £225 per car.

Another DMC subsidiary Technology Cor-Composite poration, is also the recipient of royalties for its contribution towards the plastics technology of the car.

The Development Agency is entitled to two seats on the board of both the Belfast company and DMC. These have been occupied by Mr Alex Fetherstone, a solicitor and industrial adviser to Northern Ireland officials and Mr James Sim, a banker.

The Government wants to Until the decision at the start strengthen its board presence numerically, and may consider

architects' commissions

NEW commissions for private architects in the UK rose 13.7. per cent in real terms in the

third quarter of 1981. This followed an 8.2 per cent increase in the previous quarter. According to the Royal Institute of the Royal Inst tute of British Architects, the rise would have been sharper but for the continued decline in public sector commissions, which were 28 per cent down on the corresponding period in

derive about 25 per cent of their fee from public sector sources. The comparable figure two years ago was 36 per cent. In the private industrial and commercial sectors new commissions in the third quarter of 1981 were 40 per cent higher in real terms than in the comparable 1980 quarter. The institute suggests that the overall level of economic activity is

increasing rather than just diminishing less sharply. Private housing commissions increased steadily on an annual basis, although less sharply than the trend in non-housing.
Private practices in London

and the South of England improved their workload, while Scottish architectural offices received their lowest level of new commissions for four years.

MP ealls for action on Libyan debt to Lovable

FINANCIAL TIMES REPORTER

Cumbernand, has called on the greatly." Department of Trade to take urgent action to retrieve receivership it was announced \$300,000 owed to Loveble—the that the company had healthy brassiere company where the order books but was suffering receivers were called in last from a severe cash flow probotion for goods sent to tem.

He said a central purchasing authority in Labya placed orders for £1.5m. worth of goods and although £1m worth of goods had been sent only £200,000 had

Libyan order is not the only negotiations to sell the com-difficulty facing Lovable, but I pany to Lovable Italy, in asso-am in no doubt that if the cash clation with Berlei (UK).

H

MR NORMAN HOGG, MP for was forthcoming it would help

When Lovable went into

Shortly afterwards 123 emloyees were made redundant. Shop stewards believed that the move had safeguarded the re-

maining 300 jobs. Earlier this month the receivers who are now in Italy, een paid.

announced that they had
The receiver hold sue the reached an advanced stage of

South Hampshire

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ROVER WADVANCING THE DRIVING EXPERIENCE

Best year ever for investment in unit trusts

for unit trust investment. Sales of £955m were almost double the figure for 1980, the previous

Figures issued by the Unit Trust Association yesterday show net new investment of £328m broke a 13-year-old tecord by more than 100 per cent, and was five times higher than new investment in 1980.

These buoyant figures vindicate prophecies by leading figures in the industry in the dark days of 1979, when net investment was only £58m. They expressed confidence that the market would show a strong recovery as public confidence

Mr Mark St. Giles, chairman of the association, said that the figures showed small savers had sot their confidence back in the worth of equities as invest-

They had learnt the basic lesson of equity investment, that if timing of purchases was correc; and units were held for a reasonable period, the returns offered were better than bank figure on record. or building society deposits.

Repurchases last year at £428m were also the highest on inc net new investment at record, just shading the pre- £31.5m. second highest figure vious record of £424m in 1980. for December but below the But expressed as a percentage 1981 monthly average.

LAST YEAR was the best ever of total funds under management the repurchase ratio fell from 9.2 to 7.5 per cent. Two main factors boosted last year's figures. The first was the growing interest in invest-

> situations. There were 49 new trusts launched in 1981, many over-seas, such as Japanese, U.S. and other territories, or specialised funds such technology and smaller companies. No precise figures are available for over-

ment overseas and in specialised

seas investment. Secondly, sales in gilt unit irusts were strong last year, amounting to £137m.

The 1980 Finance Act allowed unit trusts to invest in gilts on same favourable terms as UK equities, so last year was the first full one for investment in such trusts.

Some of this investment represented conversion by life companies of their internal gilt

funds into unit trusts. Though sales of unit trusts in December at £55.1m were below the average for last year, they were the highest December

Repurchases of £23.6m were also well below average, legv-

Forward indicators offer more hope of recovery

To Future Generations,

Security

strength of the economic recovery emerged from the Government's latest batch of forward-looking indicators published yesterday.

The Central Statistical Office said the composite index of longer-leading indicators, which look ahead generally to turning points in the economy 12 months ahead, rose November and December after a sharp fall between May and

The increase was due to a fall in interest rates and recovery in share prices in the last two months of last year.

The recent movement of the indicator is interpreted in Whitehall as meaning that the recovery may show a slight faltering in mid-1982, but will pick up steam again thereafter.

Showing that the economic upturn was still continuing at the end of last year, the index coincident indicators broadly in line with the economic path—rose again in November after reaching a low point in April.

The shorter leading indexwhich points to changes in the economy in about six months -also rose in November. It reached its lowest in October

Institutions turn from overseas

shares By David Marsh

UK INSURANCE companies, pensions funds and other big institutional investors sharply lowered their purchases of overseas shares and returned as buyers to the London equity market in the third quarter last year, according to figures published official yesterday.

Stackened overseas activity coincided with the weaker performance of foreign equity markets, led by New York and Tokyo, tewards the end of the quarter. This spilled over to London in late September.

The fall in foreign share buying was the first big drop since exchange controls were ended in October 1979. During the previous six quarters, purchases of foreign shares on balance slightly exceeded those of UK equities.

The July to September reverse appears to support the Treasury's view that largescale institutional investment abroad in 1980 and 1981 was a once-and-for-all adjustment to the ending of controls. Once institutions have stocked up the foreign component of portfolios to a desired level. the Treasury believes that overseas share buying will proceed at a more modest

Total net inflows to institutions showed the normal third quarter fall to £6.07bn compared with £7.03bn in the previous three months and £6.22bn a year earlier, according to the figures, published by the Central Statistical

Purchases of gilt-edged stocks fell to £1.11bn from £1.73bn in the second quarter.
The institutions bought institutions £745m worth of ordinary shares of UK companies, well up from £506m in the pre-vious quarter. Purchases of foreign ordinary shares fell to £442m from £770m, the lowest since the second quarter of 1980.

Investments in loans and mortgages for house purchase dropped to £1.59bn from £1_93bn_

Investments in short term liquid assets—mainly bank deposits—rose in the third quarter to £1.03bn from £619m in the previous three

On the sources side, net inflows into life insurance companies and pension funds rose to £3.27bn from £3.15bn.

Burton chief forced to drop house deal

of the Burton Group, the clothing company, have forced Mr Raiph Halpern, the chair-man and chief executive, to

ing of eight institutional share-

had agreed, conditional on shareholders' approval at an annual general meeting next week to buy a half interest in the property for £140,000 and for £7,500 an option to purchase the company's half interest in the property, with vacant possession for £140,000.

If Mr Halpern did not exercise his option the company had an option to buy Mr Halpern's The institutions were opposed half interest in the property to a deal under which Burton for £140,000, plus an amount

and Mr Halpern Burton intended that the property would include guest and conference facilities during the period

of joint ownership. The institutions formed special case committee to examine the position.

After a meeting with representatives of the institutions Mr Halpern's group said it had been decided to withdraw the resolution seeking shareholders approval at next Tuesday's annual general meeting. Mr. Halpern said after the

meeting yesterday: "If we couldn't convince them, then we would withdraw the resolution. It seems to have been the Lord Grade-Jack Gill compensation issue which has stirred up the institutions."

The National Association of Pension Funds welcomed the decision. The secretary of the investment protection commit-tes said: "The decision seems like a sensible one."

The funds were not against the principle of service contracts or other management packages, but were against the scale of some of them.

to set against profits for corperation tax purposes.

An Inland Revenue appeal against'a High Court ruling in Piłkington's favour was allowed. The scheme involved arrangeents between Pilkington and

Mancheser Liners, a member of the Furness Withy Group. Manchester wanted to acquire container ship for more than film, but neither it, nor any other FWG company, had sufficient taxable profit to take advantage of the opportunity to write off the purchase price

Pilkington's

tax cut plan

rejected by

Law Lords

ANOTHER multi-million pound

tax avoidance scheme has fallen

at its last legal hurdle in the

House of Lords.

The Law Lords yesterday threw out — by a 3—2 majority — a scheme under which Pilkington Brothers, the glass manufacturers, acquired from another company a trading loss

of the ship as a capital allow-It was arranged that the capital allowance claim would be surrendered to Pilkington. which would buy it at a 121 per cent discount and set the

claim against its own tarable profits. The vessel was bought by Golden Cross, a subsidiary of Manchester Liners. Pilkington acquired through two of its own subsidiaries a 75 per cent interest in Golden Cress. Because of the way in which the shares of the various subsi-diaries were distributed under the arrangements, Golden Cross did not come under Pilkington's

control. Pilkington paid £5.9m for the trading less, saving £5.76m gress on corporation tax. Man-chester Liners received S(i per

cent of the tax saved.
The Law Lords majority held. that Pilkington's claim for group tax relief based on the scheme was disqualified under section 29 of the 1973 Finance

This provides that companies surrendering and acquiring a trading loss have to be under the same control.

The scheme did not put Pilkington and Golden Cross under the same control and they could not claim to be members of the same group for group tax relief purposes. The Law Lords' rolling was

the third in recent mouths to severely restrict the scope for tax avoidance schemes.

Law Report Page 16

and improvements up to £100,000. INSTITUTIONAL shareholders for £275,000. Under the proposed arrangements Mr Halpern

drop plans for a controversial house purchase deal.

The move came after a meet-

holders, representing pension funds and insurance companies. Pension funds hold 43.3 per cent of Burton shares and insurance companies about 8

agreed to buy freehold residen-equal to the money spent by tial accommodation in London him on structural renovations

in the UK by 40 per cent from last year's level-from 1,000 to

The move reflects the new

understanding about light com-

mercials thrashed out between

the Japanese and British motor

STATUTORY INSTRUMENTS

are only as good as the Acts they hang from, commented one

stockbroker yesterday—and no-one in Whitehall appears to doubt that the 1958 Prevention

of Fraud (linvestments) Act

remains scarcely adequate on

That is to supervise that mod-ern City hybrid, the licensed dealer acting within the law as a free-wheeling investment

manager. New licensed_dealer rules

proposed by the Department of

Trade yesterday will be effected

by the introduction of fresh

statutory instruments rather

than any primary legislative

the present system under which

licensed dealers have been

operating-and under which,

with alarming regularity, several went into liquidation in

1980-81 taking substantial clients' funds with them.

and have taken account of many

professional submissions to the

The proposed changes never be sought for personal back-theless appear to be far-ranging ground details and independent

This may restrict changes to

change to the Act.

There had been a row about

industries at the end of 1981.

Mitsubishi cuts truck allocation to British importers BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT MITSUBISHI OF JAPAN has pick?up trucks below 3.5 tonnes cut the allocation of light com-mercial vehicles to its importer gross weight-being registered

in Britain. In 1981 the Japanese

share of this market segment

jumped from 16 to 25.6 per cent,

and from 19,042 to 25,291 At the industry-to-industry talks last November the Japanese agreed to bring the level of light commercials into

are invited by the end of next

This should keep aspiring self-

regulators in the City busy for the next month or so, especially

since a discussion document is

also to be published on Tuesday

reflecting Professor Jim Gower's

work to date on his long-term

review of investor protection

randum can attach no criminal

liability to any infringement of

the proposed rules. Its sole

sanction will be to revoke or

refuse a licence where this

A key aspect of the new rules

is concerned accordingly with

increasing the Department's

capacity to know what is

happening.
Fully informed referees will

be sought for personal back-

accountants must verify detailed

client accounts, to be filed every

Department's memo

Mitsubishi's importer, the Britain.

Colt Car Company, had stocks. Colt is tackling the restriction available at the end of 1980 so tions on unit sales by pushing it was able to sell 2,133 commer- up the value of the cars it sells cials last year, up from 1,200. and by the end of the year will lit moved into 1982 with 320 have a range of highly-priced commercials in stock, which means the maximum Colt can register this year will be around 920, a near 57 per cent decrease.

Colt says its allocation of cars for 1982 is 10,000, slightly down the number of Japanese light line with that of cars, between on last year when the group commercials—mainly vans and 10 and 11 per cent of the total. registered 11,209 new cars in

> The Department has itemised those aspects of each manage-ment contract which must be

> explicitly covered by contract, and is particularly fastidious

over discretionary management

The prescribed treatment of

all clients' money as trust

funds is designed to ensure that

clients' accounts opened by a

dealer/manager with a bank

benefit from the same obliga-

tions of care and responsibility

which that bank would have

towards trustee accounts in the

Several proposals concern possible conflicts of interest for

licensed dealers. The Depart-

ment says dealers should only

act as agents for their discre-

tionary or managed clients'

only be allowed in special cir-cumstances, such as when a

Dealing as a principal would

arrangements.

normai way.

transactions.

EL, with a list price of £3,999. compared with the £4,500 at which its range previously

turbo-engined models on sale.

The company has also intro-

duced a model, the Colt 1200

A hard Act to follow for City regulators market and acts as nominal owner of securities which are to be transferred directly to a client's account. The Department's proposals would require "these 'quasi-principal' transactions to be

> How much such measures as these could have helped prevent some recent investment company disasters remains a

noted formally in the dealers'

books before the purchases are

moot point. Mr John Mortimer, the company director who has led the reaction of Norton Warburg's depositors, dismissed the measures yesterday as " totally irre-He said the gap belevant. tween theory and practice in the City had been exposed, and no additions to the theory would close it.

Sir Nicholas Goodison, Stock Exchange chairman, said. "No regulations or laws can stop rank fraud. You can only hope to limit the circumstances where fraud can occur."

Lex, Back Page

dealer steps quickly into the Department. Further comments six months. U.S. coal chief proposes talks with Europeans

Duncan Campbell-Smith analyses proposals

for new rules on licenced dealers

TALKS BETWEEN European coal consumers and U.S. producers were proposed yesterday by Mr Carl Bagge, President of the U.S. National Coal Associa-

He told a conference on World Coal Markets, organised by the Financial Times and its newsletter International Coal Report, that the U.S. was anxious for European coal buyers to understand American system better.

The forum would be similar to an annual Japanese-U.S. coal conference which brought together coal industry and government leaders from both Mr Bagge said the U.S. as the

world's leading coal supplier could make good ias delivery commitments, and offer the world a sustained supply of coal at stable prices. Mr Christopher Reilly, of London shipbrokers Simpson Spence and Young, said international seaborne coal trade could rise from 198.5m tonnes

last year to 745m in 2000—more than three and a half times today's level. Consumer · countries were making every effort to cater parison with the oil industry-

Martin Dickson reports on a call to give buyers a better understanding of the American market

in deep water terminals in 17 coal supplies. different nations.

But he questioned whether exporting countries were doing industry. Participation of the all they could to expand port oil companies with their are capacity. About 200m tonnes of annual deep water coal exporting capacity were planned to be built by 1990. This would fall short of importing terminal developments by about 46m tonnes a year. There were no definite plans for expansion in

exporting terminals after 1990. Consuming countries had also shown they wanted to receive coal in large vessels to benefit fully from economies of scale. But the U.S. had no major coal terminals capable of loading to a deep draft and was not likely to in the foreseeable future. Mr John Jump, managing director of BP Coal, said there

had been little vertical integra-

tion in the coal business in com-

expected increasing vertical integration in the coal

oil companies, with their experience of financing major projects and their logistical skills, would accelerate this process. Oil companies would be im-

portant in helping coal penetrate the general industrial fuel market. This market relied predominantly on oil as a fuel and the oil companies were therefore best placed to help convert it to coal.

Mr Robert Long, an assistant vice-president of the First Boston Corporation, said project financing of new coal development was still more expensive than financing by corporate credits, but the gap was not as wide as was often thought.

Capital markets no longer SRI a year ago.

APPOINTMENTS ***

for this increase. They were even though transport costs viewed corporate credits as developing additional port could be as much as half the favourably as in the past. Incapacity of nearly 250m tonnes delivered cost of international vestors were interested in specific projects with a strong economic future assuring repay-

> Ms Jayne Ball, a senior vicepresident at the New York Mercantile Exchange, said a coal futures market was not feasible. Difficulties included the varying quality of coal, insufficient data on pricing and lack of storage

> But the prospects could be improved by technological improvements in the use of coal products, the building of storage facilities and innovations in the development of futures con-

Mr Arthur McGee, manager of SRI International's coal programme, said demand for coal by U.S. power plants would rise from 560m tonnes this year to 801m in 1990.

the 1990 figure forecasts by

deputy solicitor since 1978.

FINANCIAL TIMES WORLD

The fall in U.S. coal fired capacity was due partly to a reduction in the average size of new units because of the budget constraints facing some

Mr McGee estimated Japan would see a doubling of electricity generating capacity by

Dr Ian Torrens, of the Organisation for Economic Co-operation and Developments' environment directorate, said environmental issues need not

Mr Bruce Pasternack, vice president of the energy and environment division at Booz Allen and Hamilton, said two years ago there had been an unwarranted boom in support for synthetic fuels from coal, people suggesting synfuels were the answer to energy: problems in the short and long-term. -Today, synfuels were still-

less exciting. Some plants had been concelled or postponed. private capital had been slow in coming forward, and the share prices of key companies in volved had been falling. The change seemed due to questions about the potential

alive but the future looked

market for synfuels when production costs were compared with those of conventional fuels.

Mr Rajai M. Abu-Khaudra, economic adviser to Kirwait's Oil Ministry, said some mem-bers of the Organisation of be a constraint on the develop- Petroleum Exporting Countries, ment of coal use. Technical might aid the development of solutions were available for all coal reserves in the development. This was 60m tonnes less than the potential pollutants asso countries. The creation of a cisted with coal, except carbon. World Bank energy affiliate dioxide which was not yet a would help.

Counties protest at loss of aid from EEC

BY ANTHONY MORETON, REGIONAL AFFAIRS EDITOR

A three-man delegation from designated as areas. Devon and Cornwall is to lobby the regional fund.

It hopes to follow this with a meeting with Mr Michael a bigger—20 per cent—share of Heseltine, Environment Secre-tary, and Mr Patrick Jenkin, allocated anywhere. Industry Secretary—the two ministers responsible for regional fund matters.

The three Yorkshire county councils, and Humberside, which also face a cut in Euroaid, have written to their MPs, seeking to put pressure on the Government. Hull city council has called a conference next month to bring greater publicity to the issue.

The local authorities' action stems from a European Commission proposal to concentrate regional assistance on the areas of greatest need.

Because it was considering the whole of Europe it chose very large areas for purposes if the EEC changes come into of assistance. Scotland, Wales force in the middle of this year, and Northern Ireland were as Brussels proposes, some designated as areas. In England parts of Britain with less the South West and the North unemployment will be assisted (east of the Pennines) were but they will not.

The EEC proposed that the the counties' MPs and two quota section of aid, which goes Euro-MPs next Tuesday against to assisted areas and covers 95 an EEC proposal which would per cent of regional disbursereduce the area's grants from ments, should receive only 80 per cent of the fund. The nonquota section would then have

The British Government appears to have welcomed the EEC move because it would give Britain a larger share of the total regional fund. Devon and Cornwall object

the regrading because they claim the relative prosperity of the South West, which includes Bristol, Somerset and Dorset, would override their own local Unemployment in counties is just above 14 per cent, well above the national

average, and in certain black spots, such as Ilfracombe, it is over 25 per cent among men. Devon and Cornwall say that if the EEC changes come into force in the middle of this year,

Mr R. Bagley, managing appointed managing director of Group is a wholly owned sub-irector of the contracting RICHARD ROBERTS FABRICS, sidiary of Allegheny Inter-ivision of BABCOCK POWER Mr Bagley was commercial national Inc. Pittsburgh, U.S. director of the contracting division of BABCOCK POWER since 1978, has been promoted to deputy managing director of director of Exquisite Fabrics. Mr E. Knight, solicitor of the BRITISH TRANSPORT DOCKS the company. In 1974 he was appointed general manager of BOARD, is to retire in May. His successor will be Mr R. V. Pearce, who has been the board's he boiler and nuclear divisions and in 1976 managing director

and in 1910 managing director of Babcock and Wilcox (Operations). He is succeeded as managing director of Babcock Power's contracting division by Mr J. J. Haftke. Mr Mr. B. Bickell has been appointed projects director. Sir Willie Morris has resigned from the board of LLOYDS BANK INTERNATIONAL due projects director. to continuing ill-health. Mr J. Alastair Smith-Maxwell

Mr Michael B. Jordan has been appointed managing direc-tor and chief operating officer of SIMPLEX-GE HOLDINGS, a has been appointed sales direc-tor of BLUE CIRCLE CEMENT. Mr Smith-Maxwell was the Mr Smith-Maxwell was the customer relations director. Mr Kenneth Rose, distribution director, has taken on an expanded role as commercial director. In addition to the overall control of the national distribution network, he will be responsible for marketing and descriptions against the subsidiary of the General Elec-tric Company of U.S. from Kenneth February 1. Mr Jordan replaces Mr W. S. (Scott) McIntosh, who has completed his three-year foreign service assignment. Mr McIntosh will return to his company's international contractor equipment department administrative services of the headquarters in Bridgeport, marketing division. Mr Nigel Connecticut, after a transition Barry, national sales director, will retire during 1982, after completing a number of special period with Mr Jordan.

Mr Edward Buckley has been appointed company secretary of BARRATT MANCHESTER.

Mr Harry Trowell has been appointed corporate sales direct GROUP as design and develop-tor for INVICTA PLASTICS. ment director. Mr Armstrong Mr Martin Bagiey has been

Mr Renaid Armstrong has joined the consumer products division of WILKINSON SWORD ment director. Mr Armstrong was a director of Cambridge Consultants. Wilkinson Sword

projects for the company.

Promotion at Babcock Power

Mr Michael E. Harrington has been appointed managing director of PLT ENGINEERING. WIGHAM POLAND REINSUR. ANCE BROKERS has appointed.

Mr R. A. Walker an associate

director. He has also been appointed a director of Wigham Poland Marine Reinstrance Mr J. F. Russell, depity regional manager (UK and Europe) of the BANK OF NEW ZEALAND. London, is returning to New Zealand at the end of February to the come manager corporate banking with the fiend office of the Bank in Wellington.

Mr G. W. Hamiya, 3 manager in international banking division, head office, Wellington, has been

head office, Wellington, has been appointed to succeed Mr Russell.

Mr A. P. Houghton has been. Mr R. F. Hassler and Mr E. S. appointed threator of PA Productor have been appointed MANAGEMENT CONSULT directors of FORMAN INTER-ANTS northern region, based NATIONAL PIBLIC REIN Manchester.

Mr John H. Hickman has be Lopes Group of Companies.

come chairman of the board of PHOTOGRAPHIC (SCIENCES UK and responsible for the strategic and market develop ment. He is a director of Heary Tribology Corporation and Chairman of the Foster, Hickman chairman of the Foster Hickman and Zwenglein Fax Managed Fund Inc. Dr Blackert, who was chairman of the board and chief executive officer, has become president. He will retain responsibility for technical developments of the company. Dr Hickman has also become chairman of Photographic Sciences International which will specialise in a bar code systems package in the UK and Europe.

CARRIGAN UNDERPIN has appointed gelderal manager, Mr Dudley Lloyd, to the board. Mr. John, E. B. Lee has been appointed a director of ROBIN MARLAR AND ASSOCIATES.

Er Chaffey Richardson has been advanted that mad of PHS CITY OF LONDON BUILDING Mr Keith Ness has been live Reminister who refires an appointed managing director of completion of his five-year to the COMBEX a subsidery company of officer Mr Tim Barsy of Tamwade. He replaces Mr appointed departy chairman Dick Van Wely who is taking up succession to Mr Richauland a new appointment optude the Mr Kensington continues sage toy industry.

Social welfare is a subject of serious consideration in most modern societies. Man in the twentieth century accepts his responsibility to bequeath to the next generation a society better than his own. Daiwa Bank is not unique in accepting this responsibility, but Daiwa is unique in making acceptance of this role in society an integral part of their banking service. Daiwa is the only Japanese city bank to combine banking and trust business. Daiwa is thus a fully integrated banking institution,



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MP questions placing of

computer work abroad

to boost onshore set to buy search for oil

BY RAY DAFTER, ENERGY EDITOR

THE GOVERNMENT is about to issue new arilling licences to companies which want to search for oil and gas, is the heart of England. The more is likely to boost onshore of thing, already at a record level. Several production ficences covering land in the Midlands are expected to be awarded drilling rights.

within days. The concessions, by the Energy Department, will allow companies to condent extensive exploration, subject to planning consents, but the companies must get further Government permission before exploiting discoveries. discoveries.

Onshore production, begind during the First World War, is still tiny by North Sea standards. Latest estimates indicate that the industry produces 20,000 tonnes a month from 14 commontal discourage. from 14 commercial discoveries, most one-well fields. UK North See oil is produced

at about 8m tonnes a month, the equivalent of 1.9m barrels Onshore production is planned to rise substantially in the next few years, largely as a result of the development programme for the Wykin Farm field in

Dorset, owned by British Gas and British Petroleum. British Gas, which has been told by the Government to sell its half share in the field, estimates that recoverable reserves are at least 200m barrels, as large as some of the

BY WILLIAM COCHRANE.

MORTGAGES could become

scarce by the summer, Mr Brian

Holmes, chief general manager of the Bradford based Provincial

Building Society, warned

The Provincial Britain's eighth biggest building society, followed recent trends by say-

ing that any loan of up to

£25,000 would be at the basic

Mr Holmes said: "The way

the Government is now taking

so much money from the private investment sector, there clearly

yesterday.

rate of interest.

most attractive fields in the The Wytch Farm success has spurred oil industry interest in onshore prospects. In particular smaller independent oil com-panies, daunted by the high cost of North Sea exploration and development, have been actively bidding for enshore

Due to renewed industry interest and an active Govern-ment licensing policy, drilling activity has risen dramatically in the past few years. According to Energy Department provisional estimates, 27 wells were drilled onshore last year against 21 in 1980 and three

Petroleum Information an industry research group, says that up to 30 exploration wells are planned for this year, apart from appraisal and develop-ment weeks.

Companies are expected to conduct a major seismic exploration programme to obtain a better picture of geological

Petroleum Information data shows 48,770 sq kilometres in the UK awarded under production licences and preliminary exploration concessions.

In exploration acreage held by individual companies, not necessarily as operators, Candecca Resources; BP; Shell; British Gas: and Carless Exploration are the most com-

His warning was echoed by

It is too much to expect," said Mr Wilkinson, "that the

Government, now that it has

discovered the easy charms of

index-linked bonds, will not seek to raise more money in

this way." Yet it was expensive

and, sooner or later, would affect funds for the housing market.

Mortgage famine forecast could be a shortage of money

> 100.000 last year. Mr Peter Wilkinson, chief executive of the Anglia Building Society which is the sixth largest in the country.

It also announced yesterday an architectural competition for the design of the main exhibition hall of the 1984 International Garden Festival, which is being staged on reclaimed panies. Last year its turnover land near the docks.

of £23m generated £3.8m profit. land near the docks.

corporation

docks

By lan Hamilton Fazey :: LIVERPOOL'S historic Albert Dock is almost certain to be bought by the Merseyside Development Corporation to house the northern home of the Tate Gallery and part of the region's maritime museum, A private developer will be sought, after preliminary work to clean up the complex of 19th century listed buildings and

their surroundings.
The Corporation's board yesterday agreed to appoint technical consultants for restoration work and to seek detailed engineering advice for dredging and restoring water to the disused docks. The water would be deep enough for museum exhibits and visiting naval vessels on courtesy calls.

The corporation regards the site as crucial to plans aimed at revitalising Liverpool's derelict south docks. The dock is next door to Merseyside's most famous landmark, the Liverpool Pier Head, and its restoration will do much to bring life back to a depressed part of the city

Mr Michael Heselvine, the Environment Secretary, is known to favour rapid development of the Albert Dock. He urged the setting up of the Tate Gallery

base in Liverpool.
Mr Leske Young, chairman of the corporation, said yesterday that the price of the freehold was being fixed by the district valuer. Negotiations were already in hand for Manpower Services' Commission labour to carry out preliminary clean-up

He was hopeful that earlier estimates of £50m to bring the dock into a developable state would prove unduly pessimistic. We shall start work about four weeks after we take possession." Merseyside's embryonic maritime museum, which is being developed near the Pier Head by the County Council, attracted 60,000 visitors in 1980 and

The corporation, which is facilities on the required scale, spending £17m in the current The work involves large year, its first, heard yesterday amounts of on-line storage, that its budget of £24m for which needs a large permanent 1982-83 has been approved by the Department of the Environ-

Drilling licences | Merseyside | Small businesses 'failed to increase jobs'

increase employment last year cut their workforce. according to a survey published yesterday by The Forum of Private Business. The outlook for this year is no more encouraging if interest rates remain high.

The findings of the survey.

which contradict an impression often conveyed by politicians that small firms have significantly reduced unemployment are based on responses to a recent questionnaire from about 3,000 of the Forum's 8,000 members. These are all companies run by their owners. An average of three workers per business were laid off during the year—although only

BY ROBIN PAULEY

ment Department giving up to

Elm-worth of computer work to

U.S. companies which could be

channelled to a UK nationalised

industry is to be questioned in

the Commons by Mr Christopher

Price, Labour MP for Lewisham,

The new system for distribut-

ing government grant-aid to

local councils relies on calcula-

tions which are so complicated

that they have increased the

computer bill from £150,000 two

years ago to an estimated film

Most of the payment for this

computer work goes to the London-based subsidiaries of

two U.S. companies, Comshare,

a subsidiary of Comshare Inc.,

and Geisco, a wholly-owned sub-

sidiary of General Electric and

has been increasingly embar-

rassed about this flow of money

abroad. The explanation has

been that there were no UK

memory and substantial soft-

Compower, however, a wholly-

owned subsidiary of the Nat-

ional Coal Board, has facilities

equal to those of both com-

panies. It is one of Britain's

largest computer-services com-

ware arrangements.

The Environment Department

Embarrassed

Honeywell.

SMALL businesses failed to 12 per cent of the companies that big firms need to shake out

On the assumption that its members' experience is reasonably representative of the UK small business sector—a claim substantiated by the Economist Intelligence Unit—the Forum estimates that about 800,000 workers were laid off by small businesses in 1981.

Mr Stan Mendham, chief executive of the forum, said it was unlikely small firms would have taken on more than 800,000 He considered that small firms were at least holding their own, while larger businesses were shedding jobs. "While it is understandable

accounting NCB subsidiary.

Compower is based on a pur-

pose-built 12-acre site at Can-

nock, Staffs, and has eight

regional centres from which

access to Compower computers can be obtained. In addition

to NCB work it has more than

1,000 customers, in public and

private sectors.

Compower has had an IBM

3033 computer for two years and also has an IBM 3081. Both

have a capacity in excess of

that needed for the Environ-

ment Department work. Com-

share and Geisco do not em-

ploy computers of such sophis

tication for this particular type

Mr Price's parliamentary question will ask how much

the computer costs are now

and whether any UK companies

Compower is unhappy at the

reluctance of Whitehall officials

to recommend its facilities. Full

privacy and confidentiality is

accorded to all clients. There

is, anyway, no conflict of in-

terest between Conpower and

government Departments, parti-

cularly among Compower, the

National Coal Board and local

The external financing limits

in the current year for the

NCB is £1,117bn. The current

expediture white paper predicts

grants totalling £251m.

coudl do the work.

Facilities

authorities.

overmanning, the prime cause if small firms are laying off people as well must be the poor

The survey showed 22 per cent of small companies would be forced to sell all or part of their businesses in the next 12 months if interest rates stayed at 15 per cent.

economic environment.

Mr Mendham said small-firms were suffering from a combination of the recession and the bad legislative environment." Proposals to encourage the expansion of the small business sector would be sent to the Chancellor of the Exchequer in a couple of weeks.

Mr Graham Bannock, manag-ing director of the Economist Intelligence Unit, said yesterday that since the early to mid 1970s small companies have been net creators of new jobs.

"The Bolton report in 1971 indentified that for many years employment in the small business sector had declined. All official statisties in the last few years, however, show the num-ber of jobs has been increasing.

and not just in the UK, he said. "This trend seems to have run out of steam so that new companies are no longer sufficient to offset those which are suffering in the poor economic

Medical insurance plan membership up 13.9%

BY ERIC SHORT

THE REASON for the Environ- It began work in 1970. In 1973 it became an autonomous selfcontinuing to grow.

Membership figures for the end of 1981 issued by the three major provident associations— British United Provident Association, Private Patients Plan and Western Provident Associashowed that net new members last year rose by

THE NUMBER of people tak- numbers have risen after a decade of falling membership. Company arranged schemes where the employee pays the contribution usually by a deduction in salary, have also grown. Last year membership of these

schemes with Bupa rose 29 per cent to more than 330,000. The other two associations do not provide a separation of

			ESHIP AT DI	•		_
Ind	ividuals ([)irect)	Gro	up qu	Tot	ai
	ividuals (I	changé	9	6 change		% change
	Number o	n year	Number	on year	Number	
BUPA	367,244	+5.4	1,028,574	+17.2	1,395,818	+12.0
PPP	144,954	+1.7	208,309	+22.2	353,263	+ 12.9
WPA	16,700	+7.8	97,373	+60.9	114,673	÷50. 1
Total	- <u></u> 528,898	+4.4	1,334,256	+ 18.2	1,863,154	+13.9

nearly 230,000 from 1,635,327 company membership in this to 1,863,154—an increase of way. But Western Provident's to 1,863,154—an increase of 13.9 per cent.

three ogether account for more than per cent of the medical insurance market. But since many individuals take out policies to include their and children, the of people covered by number medical insurance is about

-The main feature in last year's nemberships was the growth in individuals paying their own contributions. The table shows that the number of people taking out medical insurance a loss of £268m. Government direct rose 4.4 per cent—the third year running that such somewhat surprising.

4.1m.

50.1 per cent total rise was boosted by securing a voluntary scheme with the General Elec-tric Company, where about 16,500 employees have joined. Even without this, the association's membership rose 28 per

All three associations report an increase in membership of company paid schemes, both from new companies joining and existing clients.

BUPA had an increase of over 50,000 to 694,387 in membership of company paid schemes. In view of the depth of the recession this figure is

Bobtons has deficiency of £92,000, models told

BOBTONS, the London based model agency which went into voluntary liquidation last December, after 91 years of trading, has an estimated deficiency of £92,335, according to an approximate statement of affairs drawn up for creditors.

Creditors were given the news at a meeting yesterday when Mr Keith Goodman, partner with chartered acountants Leonard Curtis, was confirmed liquidator. At the meeting were about two dozen of the country's top male and female fashion models who are owed more than £60,000, according to the

Bobtons, which became one of the top three fashion agencies handling well-known figures like Jilly Johnson and the McLean twins, was formed in July 1973 as Tedholm Ltd. It changed its name to Bobroff and Ashton four months later and to Bobtons in May 1976. During this time the entire share capital of the company was held by the directors, Bobroff and Laraine Ashton.

In a bid to pay models promptly, Bobtons entered into a factoring arrangement with Alex Lawrie Factors. Models were advanced 60 per cent of their money on presentation of an invoice and the balance on settlement of the debt by the client. In 1976 Alex Lawrie withdrew its services and Bobtons Finance was formed to continue the factoring

At yesterday's meeting Mr Goodman said that Bobtons Finance had also gone into creditors' voluntary liquida-

Mrs Bobroff, who from 1976 was sole director of the comрапу, was repeatedly advised by her accountant to curtail all expenditure in order not to disturb the financial base of the company.

At vesterday's meeting the unaudited accounts for the year ending 1979 showed that the director's remuneration rose from £9,000 to £23,400. The last available unaudited accounts for the year ending December 1980 showed a net less of £42.000_

Imports could crush the oilseed industry

WEDNESDAY'S encouncement that Britain's biggest oilseed crushing plant is to close in July could herald a series of similar moves unless the frading climate for the British crushing industry improves

significantly.

The doomed plant, which is operated by Erith Oil Works, a Unilever subsidiary, has lost £3.5m since 1976. It specialises in extracting soyabean oil, and its closure is being forced by its inability to compete with low priced imports, particularly from the U.S. and Brazil. Producers of other seed oils are suffering similar problems with competition-often considered unfair-from Malaysia, the Philippines and the Continent. They also face the universal

problems of high energy prices. unfavourable foreign exchange rate high interest charges, high UK inflation and the effects of the recession on consumer de-

The net result is a sharp de-cline in profitability. Average return on capital employed climbed from about 10 per cent in the mid-1970s to more than 20 per cent in 1978. It is now

Richard Mooney looks behind the Erith plant closure

down into single figures, with about 40 per cent, having some companies suffering doubled since 1976.

UK industry produces about 1m tonnes of vegetable oil a year, worth about £850m at current values. It comprises companies, dominated by Unileyer and Conti Oils which account for more than half the total output. It employs about 7,000 people, mainly near the ports of Merseyside, London, Manchester and Hull.

The products are widely used in the food industry and for-soap, detergents, lubricants, paints and cosmetics.

Increased penetration of imports started in earness to 1979, when the supply gap left by the prolonged transport strike was filled by north-west European competitors. The imported share of the market is now about 10 per cent—double the pre-strike level. The import share for

Crushers fear determined promotion of exports of refined oil rather than raw materials by third world Governments will end in the destruction of the UK industry.

The competitive edge enjoyed by the U.S. in the soyabean oil market results naturally from. its economies of scale and the advantage of having its raw material grown on its doorstep. British crushers say subsidies given on Brazilian exports of sovabean meal and oil are

equivalent to the added value achieved by British crushers. Both Malaysia and the Philippines operate discriminatory tax systems to encourage the export of refined vegetable oils instead of raw materials.

These factors operate to the equal disadvantage of all EEC soyabean oil is much higher at they are put at a further dis-rapeseed production.

terminal, a financial controller

and a graphics workstation.

advantage to their Continental counterparts.

Lower energy charges and

port dues, with economies of scale and hidden government aid, give Continental producers a clear edge when bidding for supplies and selling their products, the British maintain.

It had been hoped that the growth in popularity of the rapeseed crop with European farmers would partly compensate for the reduced availability of imported raw materials. But the operation of the EEC market support regime, based on intervention buying and 'crushing aid," which crushers say is really aid to growers has left much to be desired. As frequently happens the community aid started finding

its way into the pockets of brokers forcing amendments to the system which stopped it working adequately, from the crushers' point of view. They are now calling for a

review of the regime to establish a system which adequately rewards the investment they have made in creatcrushers. The British claim ing an outlet for European

DISPUTE

How does'flexible rostering' affect train crews?

As part of a programme of modernisation which will transform British Rail's ability to respond to a highly competitive world, and thus keep faith with its customers, British Rail must use its resources more efficiently. Hence the need for flexible rostering, which increases train crews' productive time.

The principle was accepted by all the rail unions last August, including ASLEF. It goes hand in hand with the 39-hour week. A 7 to 9 hour day was subsequently agreed by the NUR - the largest rail union representing a sizeable proportion of the train crews.

The advantages for staff of the flexible 7 to 9 hour day, based on sample rosters,

-they will have more rest days over an 8-week period - from 8, at present, to not less than 9 - equal to over 6 extra days off each year,

-up to 40% fewer occasions of booking or and off between midnight and 5 a.m.;

-more rest days which can be grouped together to provide 3,4 even 5 days off for staff at a time; and

-80% of the rostered week's work will be within the period 37-41 hours.

Taken together, flexible rostering plus other changes to streamline working practices, as well as the effects of new investment, will lead to a smaller workforce. But this can be achieved by natural wastage.

If implemented throughout the country, flexible rostering will greatly improve productivity.

This will help keep down prices to the customer.

The majority at British Rail have accepted flexible rostering. But ASLEF refuses to budge from the rigid 8-hour day. The majority now get the full 11% pay increase.

Why is ASLEF continuing to drag its feet—denying its members the 3% increase which has had to be withheld?

British Railways Board, Rail House, Euston Square, London NW12DZ.

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of Hewlett Packard.

Labour

appearance

LABOUR MPs left for their

constituencies last night with

the party's new truce having survived the first week back at

The big test will come

tomorrow when left-wing groups meet to discuss future strategy. But it has become increasingly clear over the last few days that

the great majority of MPs are

determined to preserve as long as possible the appearance of

peace, announced so euphoric-

ally at Bishop's Stortford two

It is to continue pursuing,

however, the other aims which

it adopted when it was set up

In reality, there was little chance of Solidarity getting any

change in either the electoral

college or the re-selection pro-cedures. But Solidarity clearly

wanted to make a gesture to show that it was doing its bit

for peace. Privately, some Solidarity MPs seem to think that it is inevitable that the

true will break, but they do not

Meanwhile, some of the multi-

lateralists within the parlia-

were a "travesty of the truth

Royal Bank

'no precedent'

Parliamentary Correspondent

Mergers Commission's rejection

Royal Bank of Scotland should

not be taken as a precedent for

future cases, the Prime Minister

from the Tory benches of the

commission's verdict against the

bids from the Standard Char-

tered Bank and from the Hong

Kong and Shanghai Banking

respected sections of Scottish

commercial opinion were gravely worried about the re-

commendations from the com-

mission. They believed the

report should have been re-

jected by the Government because of the adverse effect it

would have on Scotland and

Mrs Thatcher told him she

was well aware there were

differing views about the

clear this decision is not a

precedent for anything else,"

cular case and must not be taken as applying to applica-

tions of a similar kind in

Stock Exchange proble, Page 24

Scotland or elsewhere."

she went on.

"I must make it absolutely

'It refers only to this parti-

for the UK internationally.

She was replying to criticism

told the Commons yesterday.

THE MONOPOLIES

decision

By John Hunt,

want to fire the first shot.

lateral disarmament.

preserves

of peace

Angry MPs tell Fairbairn to quit

THERE WERE furious Opposition demands in the Commons yesterday for the resignation of Mr Nicholas Fairbairn, Solicitor General for Scotland, over the handling of the case m which charges were dropped against three youths accused of raping a Glasgow woman.

As Mr Fairbairn made his statement to the House he was given the worst mauling handed out to any Minister during the present parliament. Labour MPs—who were clearly out for blood—mercilessly hounded him with taunts and

He prefaced his statement on the case by apologising to the House for a newspaper interview he had given in Scotland on Wednesday in breach of the convention that such information should first be given to the Commons.

Mr Francis Pym, Leader of the House, also made a fulsome apology from the front bench over the interview—in effect a humiliating public rebuke for Mr Fairbairn.

In the Lords the Lord Advocate, Lord Mackay of Clashfern, Lord Advocate, the senior her heal minister for Scottish legal suicide. matters, faced strong criticism This s when he made a statement on

the Commons, taken aback by my the ferocity of MPs' reaction, this were last night considering whether it might be necessary to hold a full debate on the

matter. Mr Bruce Millan, Labour's Scottish spokesman, told the Commons that it was an extraordinary situation which called into question the competence of the Crown Office in Scotland and of Mr Fairbairn himself. Labour MPs were further look into all aspects of the law

Tornado cut

in output

confirmed



Mr Bruce Millan (left) and Mr Nicholas Fairbairn

in his statement, Mr Fairbairn said the case had been dropped after a psychiatrist concluded medical history a court appearance would be detrimental to her health and carried a risk of

This seemed to contradict the newspaper interview in which he case. Mr Fairbairn was quoted as Tory business managers in saying: There is no doubt in my mind that the matter of unfortunate z'namow mental stability was irrelevant. When pressed on this by MPs yesterday Mr Fairbairn denied

ever having used such words. Mr Millan called for a full official inquiry into this "extremely worrying and horri" fying affair." Mr Fairbairn did not reply to this demand but he did reject a call for a Commons select committee to

Mr David Marshall (Lab. Shettlestone) told the Minister: You now have no credibility left-will you now resign?"

This brought a thunderous roar of approval and chants of "resign, resign," from the Labour benches. Mr Fairbairn sat pale and shaken on the front bench with Mr William Whitelaw, the Home Secretary, glumly sitting beside him.

The drama started when Mr Michael Foot, Leader of the Opposition, demanded an apology from Mr Fairbairn and said he understood that the Prime Minister had already reprimanded him.

Gravely, Mr Pym replied that he was aware the Government had a responsibility to ensure that MPs were the first to hear matters of importance. That had not happened on this occasion. He regretted it

very much and wished to apologise to the House. But Mr Fairbairn explained that his newspaper interview had been given before it was clear that he would have to make a statement to the Rouse.

If he had shown disrespect to the Commons then he apologised unreservedly.

Four youths were originally charged by the police with rape and attempted murder. The Crown Counsel in Edinburgh later indicted three of them with rape and assault to cause permanent disfigurement and danger to life.

Mr Russell Johnston (Lib, Inverness) thought it was quite an extraordinary situation. If the woman had died a murder case would have been brought. But charges were dropped because she had been reduced to such a condition that she could not give evidence.

For the Social Democrats Mr Robert Maclenna nsaid that Mr Fairbairn seemed to have rejected a judicial inquiry, a Royal Commission and a committee of the Commons to inquire into the matter. He thought the respondance."

Mr William Hamilton (Lab Fife Central) claimed Mr Fairbairn had made a speech in 1977 in which he had said quite specifically that rape involved an activity that was quite normal.

Does he think he is a fit person now to hold the position he has got?" asked Mr Hamilton.

Winding up. Mr Donald Dewar, a Labour Scottish spokesman, said the whole affair was central to public confidence in the system of justice-"there is now way in which this case

Annual subsidy of £20m likely if Invergordon smelter reopens

A SUBSIDY of between £15m THE DELIVERY rate to the and £20m a year is likely to be involved if a new operator of the Anglo-German-Italian Tornado combat aircraft takes on the Invergordon smelter, closed by British is to be cut by over a quarter "to ease defence budget pro-blems over the next three years." Mr John Nott, the Aluminium last month, Mr George Younger, Scottish Secretary, indicated in the Defence Secretary, confirmed in Commons last night. a written parliamentary answer subsidy would yesterday.

Scotland.

sum was

nificant."

affirmed

tricity boards.

enterprise.

the

Bruce Millan, shadow Scottish

Secretary, suggested that

British Aluminium might itself

be a partner in a new joint

Mr Younger emphasised that

arrangements to provide a sub-

sidised power supply would

depend on the operator involved, any other interests he

might have. the circumstances

of the approach made to the

Government, and other factors,

the fact that we are ready,

Tory dislike of

starts to surface

THE FIRST signs of Tory back bench hostility to Government plans for devolved government

in Northern Ireland surfaced at

a meeting of the Conservative back bench committee on

Although the Government

has given no formal indication

of its plans, Mr James Prior,

the Northern Ireland Secretary,

has been discussing the options

for devolution with various

Ulster politicians in recent weeks. He is expected to out-

line his thinking to the Tory

Last night Mr. Julian Amery,

back henchers next Thursday.

Mr Barry Porter, Mr Tony Marlow, Mr Ivor Stanbrook and

Mr Michael Browne are all

understood to have declared

their opposition to any form of

ents to the plan, as it is emerg-ing, was estimated at around 20

Mrs Thatcher to intervene in

the dispute, "to try to relieve the British people from the

suffering that they are going through."

Mrs Thatcher told him.

"Acas remains in discussion

with the unions concerned and British Rail."

Government had allocated

£930m in external financing

Mrs Thatcher said the

"No. I will not intervene,"

Northern Ireland last night.

Ulster plan

By Margaret van Hattem,

Any operator can be sure of

Maximum deliveries will drop from a potential maximum of 60 a year to 44.

The statement was issued simultaneously in West Germany, where the Government is also taking steps to slow down delivery rates to a maximum of 42 aircraft a year. The peak delivery rate for Italy, however, is to remain at 24 aircraft a

"Faced with budgetary difficulties, both the Germans and ourselves felt that it would be more sensible in terms of the overall balance of the defence programme to flatten out the peak of Tornado deliveries," Mr Note said in his statement.

British Aerospace assembles the aircraft for the RAF, and Mr Nott said the change "will restore deliveries to the UK to 44 aircraft a year, very close to the originally planned rate." Late in 1978 Tornado production was behind schedule and the MoD decided to increase the

planned delivery rate of 46 air-

craft a year to around 60. This level would have been reached this pear and held for the next two years, when the delivery rate would have fallen "quite sharply," Mr Nott said."

Cash limit

The changes have been introduced to help keep the MoD within its cash limit for 1982-83, and to ensure that spending on projects like the Tornado remain inside the "financial profile" of MoO spending over the next 10 years.

The Tornado is the biggest single procurement programme in the Ministry of Defence. A total of £11.25bn (September 1981 prices) will have been spent on providing 385 Tornados for the RAF by the time the last of the aircraft is delivered in 1990.

Each aircraft cost £11m, at September 1980 prices. Over 60. Tornados have been delivered

Changes to reduce the rate of delivery of the aircraft would have the "greatest effect on the MoD as a whole," the ministry said last night.

Earlier, Mr Nott told MPs in his written answer that "heavy pressures on defence budgetes devolution.

mean that the Tornado pro- The total number of oppongramme cannot be isolated from

FINANCIAL TIMES REPORTER

refused yesterday to inter-

vene in the rail dispute. She

told the Commons that the

railway industry had to be

efficient, modern and up to

date, and had to reduce over-

on, the more business British

Rail will lose," she said.

"The longer the strikes go

The train drivers' stoppages

were already affecting people

PRIME MINISTER



Mr George Younger: "Not an insignificant subsidy"

reminding Labour MPs that the company had warned the Government it would be in danger of going into liquidation if it continued at Invergordon beyond the end of last year. Job losses would then have

far exceeded the 890 directly involved at Invergordon — in itself a "profound disaster" for the Scottish Highlands. They would have amounted to 2,700 throughout Scotland. Mr Younger clashed with

willing and anxious to have discussions," he said. He answered accusations that Mr Dennis Canaven (Lab. Stirlingshire West) who argued that, as British Aluminium had Government had failed to act early enough to avert the smelters closure by again already made £20m profit out of the closure, it should hand over the smelter without charge

to a new operator.

The Highland Regional
Council and the Ross and Cromarty District Council, not noted as extremist bodies, had suggested it should be taken into public ownership without compensation, said Mr Canavan. Mr Younger said nothing was more likely to deter a new operator than the course urged by Mr Canavan. "Your language is a certain-turn-off to anyonewho might want to come.

He confirmed that the closure would have important consequences for the Scottish Electricity Boards, the National of the takeover bids for the Coal Board, and British Rail-

The more expensive coalburning power stations at Cockenzie and Kincardine, and the oil-burning station at Inversip would be used "some-what less frequently." The South of Scotland Electricity Board's annual coal consumption would fall by about 750,000 Corporation.

Sir Russel Fairgrieve (Con
But the smelter's closure had
Aberdeen West) said widely would fall by about 750,000 tonnes a year.

not removed the need for the nuclear station being built at

Mr Younger accepted that British Rail had also lost an important customer for its services beyond Inverness. The Railways Board had said savings would have to be made to compensate for this loss, and the Government was concerned about the impact on British Rail

Probe into court's 'expect violence' advice to teacher

OFFICIALS from the Lord Chancellor's office are `to investigate the case of a magistrate who told a woman teacher she "should expect to be hit" in her job.

The Prime Minister told the Commons at Question Time yesterday that she had read reports that magistrate Mr David Fingleton, at Highbury Corner Court, North London. told the teacher she should expect to be hit at least six times more during her career. and had "found it utterly astonishing."

Miss Suzanne Puttock claimed she was assaulted by the mother of a suspended pupil at Newingtook out a private summons. ton Green Junior School. She Mrs Thatcher said: "I thought the first thing to do. was to find out the facts, and the Lord Chancellor has sent officials to try to find out what

The Prime Minister was

modern and up-to-date prac-

"It must be very galling for

some industries, such as steel

in the North-East-who have

reduced their overmanning

and become efficient—to see

their products unable to be-

moved by British Rail be-

cause the drivers will not

similarly update their prac-

reduce over-

tices, and

tices," she said.

manning.

questioned about the incident by Tory MP and former deputy headmaster Mr Harry Greenway (Ealing N.), who said the magistrate's remark was "disgraceful."

discipline will be undermined." Later, replying to Tory backbencher and lawyer Mr Derek Walker-Smith (Hertford E.), who said any such proposition was wholly contradictory to the rule of law, Mrs Thatcher said: Any such proposition would be wholly and utterly repugnant to British law. Everyone is entitled to the protection of the law, and anyone who flouts the law must be brought to justice." Mr John Grant (SDP Istington C.), whese constituency takes in the court, said the overall record of Highbury Magistrates' Court needed to be looked at. It had a "curious

went on, the more chance

there was of Aslef "cutting

Mrs Thatcher said the

longer the dispute went on

the more business BR would

"It will put other people's

jobs in jeopardy on British

Rail, and it is already affect-

ing a number of other people

in other industries."

its own throat."

Business in The comment, he said, "should be withdrawn immediately, or the whole school parliament COMMONS Monday: debates on need for Government aid for heating

bills and the steel industry; Child Benefit (Claims and Pay-Amendment Regula-Tuesday: New Towns Bill, Second Reading, Transport (Finance) Bill, remaining Rates Amendment stages: (Northern Ireland) Order. Wednesday: debate on employ ment. Thursday: debate on the Government's economic policy. Friday: Private Members' Bills.

Monday: Health Mental (Amendment) Bill, Committee: Shipbuilding Bill, Second Reading. Thatcher refuses to intervene in rail dispute Reading: Civic Government (Scotland) Bill, Committee; Tuesday: Currency Bill, Second Civil Aviation (Amendment) Bill Committee.

Wednesday: debates on the European Monetary System; inner London traffic congestion; and Scotland's museums and galleries. Thursday: Harbours (Scotland)

Bill, Third Reading: Fire Service College Board (Abolition) Bill, Third Reading; Sex Dis-crimination (Amendment) Bill, Third Reading: Social Security (Contributions) Bill, Commit tee; Civil Aviation (Amendment) Bill, Report and Third Reading; Pet Animals Act (Amendment) Bill, Second

British Rail lets off more steam in public

BRITISH RAIL is today step-ping up its war of words with its train drivers by placing another advertisement in four national newspapers on the pay and productivity dispute with the Associated Society of Loco-motive Engineers and Firemen.

Today's advertisement, the fourth so far, explains BR's view on how the crucial productivity issue of more flexible work rustering will affect train crews. It is the latest example of how both sides in an industrial dispute wage the propaganda war. In recent years trade union-

ists have started to realised that

instead of just responding to media inquiries about their activities—and mainly their in-As part of the general desire not to rock the boat, the party's centre-right Solidarity group has agreed not to do anything to reopen the constitutional arguments which have caused anything the party within the party with the party within t dustrial action—they can start using the media positively. Accordingly, many now see propaganda as a central part of their campaign. Many senior such divisions within the party civil service union officials, for example, acknowledge the over the last two years. Following a meeting of the

crucial part played by the Press before last year's lengthy civil group's steering committee on Wednesday night, Solidarity has agreed to drop formally its service strikes in making their own members aware of their campaign to get changes in both the electoral college and the procedure for re-selecting MPs. case over pay. The effect of such efforts is illustrated by a confidential paper on dealing with the media which was prepared by the Council of Civil Service Unions last year to counter the activities of the organised left.

after the end of the dispute. Calling the daily coverage a "significant achievement," it says that the effect of the propaganda campaign was "an improvement in the state of public knowledge of what civil

servants do."

When the troubles ended, leader-writers were noticeably more shame-faced about the Government's actions and about generalised abuse of civil servants than at the beginning," it

Both sides in the 1980 steel mentary party are preparing to set up a new group to put forward the case for multistrike widely distributed newspapers, leaflets pamphlets and other such material—in support Despite the general wish for unity which has emerged this of their cases. BL has made use of newspaper advertisements to week, one possible crack in the secure the results it was seek-ing in pay and other ballots. But truce appeared yesterday.

The Labour Herald, which is edited by the GLC leader, Ken the use of propaganda has been brought to the fore in the Livingstone, accused Mr Michael miners' pay negotiations and in Foot of using arguments which the rail dispute.

The National Coal Board proin an article last Sunday in The duced two special editions of its newspaper, laying out the terms of the miners' pay offer,

> their own papers, urging rejecthe retiring NUM president, in the Daily Express. This orged the miners to vote against the Aslefrecommendation of the union's union bitterly contests. the pay offer.

national executive and to accept president elect, said that the section of the Railway Staffs' auspices are delicately poised.

had cut the vete for rejection by perhaps 5-6 per cent enough to turn the required 55 per cent majority for industrial action into a majority acceptance of the offer.

The propaganda war in British Rail is the oddest example, though. While both sides are not talking to each other in negotiations.—Mr Ray Buckton, Aslef general secretary even claimed this week that BR negotiators had passed him in a corridor without speaking - they are shouting at each other through the editorial letters and advertisment columns of the national

Mr Buckton and Mr Cliff Rose, BR's board member for industrial relations, have exchanged open letters through

Philip Bassett looks at the growing war of words in the Aslef dispute

The Times: Mr Buckton and Sir Peter Parker, BR chairman, have challenged each other's view of the August agreement on pay and productivity reached with the Advisory, Con-ciliation and Arbitration Ser-vice through the letters columns of the Financial Times and other newspapers.

Most noticeable, though, has been the series of advertisments over what is surely one of the most obscure issues ever provoke national sinike action — flexible rostering.

BR estimates that its four advertisements have cost it some £150,000. This is small beer when the BR Board is losing £9m every day there is a strike, but it is considerably more than the financially squeezed Aslef can afford.

Today's advertisement places and urging miners to accept it. further pressure on Aslef by Leaders of the National Union asking why the union is conof Mineworkers replied partining to drag its feet on ticularly in Scotland and York-flexible rostering, and is thus shire, with special issues of denying its members the 3 per cent second stage of last year's tion. two part 11 per cent pay deal.

Most of the controversy The advertisement will
though, surrounded an article further infuriate Aslef, since it in the name of Mr Joe Gormley, states clearly that the principle phere of negotiations must be was accepted last August by all the rail unions, including -something . which

In support of its case, the union has released copies of Arthur Scargill. NUM the minutes of the locamotive

article was an act of betrayal Joint Council-the body dealunparalleled in the history of ing with the detailed negotia-the NUM. He daimed that it tions on productivity which followed the Acas pay and productivity understandings August .

The union uses the minutes to support its contention that BR is wrong—telling lies," according to Mr Buckton—in stating that Aslef only "revealed" its position over the retention of the guarantee eight-hour working day in late November, leaving BR with apparently little choice but to withhold payment of the 3 per cent after a decent interval of three weeks.

The documents show that between the Acas agreement and its ratification by the Railway Staffs National Railway Council, Asler told the BR Board that it intended to retain the eight-hour day.

Minutes of a meeting on

September 2 show Aslef had septemoer 2 snow Asier had insisted that retaining the eight-lour day was "fundamental." while another on September 16 said that rostering of up to 10 hours a day was not "mutually acceptable." A meeting on October 7 showed that Asief was having arolitems in persuading its problems in persuading its members to move from the eight-hour day another on October 22 said that Asief believed variable restering would affect both the social life. of staff and the smooth running

of train services.

Finally, the meeting on November 30 referred to by RR in its advertisements did show the union imprepared to accept variable rostering and noted that the board would be considering its position which led directly to the withholding of the 3 per cent.

The documents, then clearly support Mr Buckton's case and cast doubt on Sir Peter Barber's suggestion in another letter to the FT and The Guardian yesterday that Aslef negotiated for three months on the issue

before finally saying that it

was not prepared to accept any relinquishment of the eighthour Propaganda is clearly important and helpful to both sides in a dispute, though the risk is that normally one side comes off better. As one nationalised industry official said yesterday. "Ray Buckton seems to b winning all the arguments every time Cliff Rose has appeared on TV over the past few days he's been on the defersive about why British Rail has broken an agreement."

Its success, too, in terms of the often all-important atmesquestionable. Despite BR's insistence that it wants to play trings coolly a en the present dispute, further advertisements putting pressure on the union can hardly be helpful at a time when negotiations under Acas's

CBI doubts militancy of unions

BY JOHN LLOYD, LABOUR CORRESPONDENT GOVERNMENT proposals for It doubted whether trade

further industrial relations legislation, including measures to lation as strongly as they had curb the closed shop, would "not threatened-most recently in an significantly after the balance appearance before the commit-of power" between workers tee by senior TUC members on and management, the CBI said Wednesday. yesterday_ However, CBI members had

become more concerned about the closed shop in recent years, as several cases had showed that it could limit individual free-

The CBI said in evidence to the Commons Select Committee on Employment that it regarded the proposed changes as "marginal" to the conduct of industrial relations.

Mr Billi Keys, General Secretary of the print union Sogat to Mr Norman Tebbitt, Employand chairman of the TUC's

director, said there were "dire threats made before the 1980 Employment Act" but few had been carried out.

Employment Policy and Organisation Committee told the committee then that he was willing to break the law if the proposals went on to the Statute Book. Mr Brian Rigby, a CBI deputy

Mr Oliver Jayne, chairman of unions would oppose the legisthe CBI's industrial relations committee, said some of the proposals might meet resentment and opposition-but "we helieve they will come to be The CBI repeated its warning

> ment Secretary, that the open-ended compensation terms for unfair dismissal proposed by the Government might lead to employees seeking dismissal in order to gain high sums
> It also reflected concert among some CBI members that

periodic review of closed shops should be held at intervals longer than 12 months.

HOW THE MINERS VOTED The voting pattern on an executive recommendation to reject the offer and authorise industrial action "if necessary,"

Yalid votes % No. Yorkshire 29,305 19,626 8,894 10,687 20.411 8,939 Colliery Staff 13,952 46 63 Scotland 11,627 73 8,509 Derbyshire North West 50 40 6,373 3,796 Durham Mechanica 3.651 17 32 54 16 Cokemen S. Derbys. Leicester Kent N'land Mechanics 1,054 1,263 Power Greup 2 204,621 91,477 45 113,144 Majority of 21,667 on a turnout of 82 per cent

Talbot to lay off 1,400 BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

UNION OFFICIALS at Talbot paint shop. Employees are not cars are protesting about the entiled to lay of pay when fact. without pay around 1,400 flood. workers at the Ryton Assembly official of the Transport and BILL Seeks 16% plant in Coventry.

fire damage to an oven in the caues of the layoff.

company's decision to lay off lities are affected by fire or

plant in Coventry.

General Workers Outon, said FIN Banking insurance and move on urgent repairs which in for talks because the work of the carried out because of force were concerned about the staked Gompany which operans

Lorry pay deals keep **6-7%** trend

THE TREND towards 67 per cent pay deals for lorry drivers in the private hire and reward sector has been confirmed in the York area by acceptance of a 25 across the board increase of minimum rates for a 40-hour. week.
This brings the minimum for

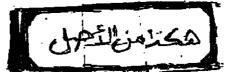
the highest class of drivers to
£85, and provides rises of al
least 5.25 per cent. The overnight subsistence allowance is raised by 50p to £10p.

It brings the number of settlements in the 21 regional negotiations to seven, and fol-lows a £4.60 across the board deal in West Cumbria, raising the top minimum rate to £84.50 Subsistence is up by 15p.

Key negotiations for drivers in Lendon and the South-East, who have sureatened to strike from Monday if their 49 per cent offer is not increased, were taking place last night inc. The northern area, with Tyneside as its centre, two employers begotiators have employers negotiators have resigned after two companies

wall above the latest £4.50 offer.

She praised the way people ad "grappled" with the Mr Tory backbencher Mr Cranley Onslow (Woking) backbencher in other industries. for the rallways this year. If strikes and overcome difficul-Mr Tom McNally (SDP. it was to be efficient, the Reading. said that the longer the strike ties to get to work. Stockport S) had called on workforce had to accept



FINANCIAL TIMES SURVEY

Friday January 22, 1982

Building Societies

The societies special relationship with their customers has dwindled as competition from National Savings and banks has put them under increasing pressure. In question is the ability of smaller societies to survive and the way the movement should develop in future.

Banks setting the pace

BY MICHAEL CASSELL

THE BUILDING SOCIETIES 1982 with few illusions about recession has itself made the challenge which flustons are going tough. The contains have had a distinctly uncom-

Wrapped cosily in a blanket of self-assurance that has been en by years of dominance personal savings and housing finance markets, they have finally been exposed to the icy blast of full-scale comfrom the banks.

Some societies believed it would never happen, others that it might; now all of them are having to come to terms with a fresh set of ground rules and clientele which has proved itsalf ready to do business (lending or borrowing) with whoever makes the best offer. The societies longstanding pride in their "special relation-ship" with the customer looks increasingly vulnerable as deposits dwindle and huge numbers of home buyers desert in an increasingly successful search for higher returns or lower mortgage charges. Banks are now lending on at least

one in four morigage advances. The industry has several unpalatable facts on which to ponder. The Government in-tends to finance a larger part of the public sector borrowing requirement from the private savings sector, while the banks seem belibent on setting the pace in the mortgage market, rebuild their savings deposit

complain that the Government's "tapping device" is grossly unfair and they may also charge the banks with indulging in a temporary mortgage market flirtation, but no amount of footstamping is going to flatten the opposition.

While the societies have huffed and puffed and tried to reach some consensus on how best to react to the new set of circumstances, the efforts of their competitors have paid bandsome dividends. Nor are the societies' problems confined to repelling the challenge from beyond their own ranks, with competition between them reaching new and uncharacteristically strident heights.

Whatever the longer-term aspirations and targets of the banks (how will they fare if interest rates fall back signifi-cantly?) the extent of their recent inroads into the mortgage finance market has been remark-

As the building societies readily point out, the banks have been down the housing finance road before and then withdrawn when demand from traditional customers returned. There are those within the societies, unconvinced about the long-term threat posed by the banks, who take confort from this previously erratic performance. But, for the time being at least, the banks show every sign of viewing mortgage business as an

What is more, both sets of important element in their

bank lending amply illustrate the extent of the inroads which have been made into the societies' traditional territory. the three months to middle of November 1981, the banks lent £905m for house purchase against £600m in the previous quarter and just £311m in

By the end of last year, outstanding mortgage loans had risen to nearly £5bn and while, 12 months ago, the banks accounted for about 10 per cent of the new home loans market, the figure looks to be substantially in excess of the 25 per cent level which has recently been widely assumed. Indeed, in the November quarter alone, the banks appear to have accounted for about 40 per cent of all net advances.

Suspicions

Little wonder that the first signs of official concern have aiready begun to show and that the authorities are keeping a close eye on events, not least because of suspicions that the banks' so-called mortgage lending is extending to embrace a wide range of consumer items.

But the societies' problems are compounded by the intense pressure being applied simultaneously to the savings side of The Governtheir business. ment's determination to help finance the public sector borrowing requirement via the

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looking for £31bn in the current fiscal year-helps to tighten the straitjacket.

The societies are forced to accept that they simply cannot compete on equal terms with National Savings and their room for manoeuvre is now strictly limited by the effective ceiling placed by the banks on what the societies can charge for mortgage funds.

As Mr Roy Cox, chief general manager of the Alliance, recently put it: "One could be forgiven for thinking that the Government had prompted the banks into effectively pegging our mortgage rate so that National Savings could carry out a mopping up operation."

The dilemma has brought considerable disarray to the societies on the question of mortgage interest rate policy. Sufficiently concerned by the

personal savings sector—it is banks highly competitive posi- tunity arises for an all-round tion on mortgages and by adjustment in interest rates, mounting evidence that large the societies' margins ections of existing and poten-remain under tial home loan business are dis- pressure. Some have refused to

> been forced to take action. No sooner had one major modified, differentials, but the building society—the Woolwich extent to which their busine —decided to abandon its diff- suffer remains to be seen. erential mortgage rate policy, in an attempt to get back on an liquidity of many societies is equal footing with the banks, actually increasing in the face equal footing with the banks, than most of the others refuctantly fell into line.

> But the differential systemwhereby rates are related to the size of the loan-until now has provided the very source of mic outlook and the prospect additional finance required to of little let up in the intensity fund the new expensive term- of the all-round competition, it shares upon which the societies seems likely that many societies have become steadily more dependent.

Therefore, until the oppor- 12 months.

CONTINUED ON NEXT PAGE

the banks.



PERSONAL SECTOR LIQUID ASSETS appearing, the societies have expose themselves in such a way and have held on to, or extent to which their businesses It is an irony that the of growing numbers of mortgage redemptions on the part of borrowers changing over to Given the short-term econowill be struggling to achieve any growth at all over the next

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Wide divergence in financing systems

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Nationwide

in action

to take on added importance, But if the desire to own a home is a factor common to most of Europe, the system of

providing the necessary funds is anything but uniform. The wide divergence in existing finmarket in the housing field.

While Britain is regularly portrayed as the easiest EEC country in which it is possible to consider the prospect of for most people to become establishing full European sav-owner-occupiers, it does not ings and lending operations necessarily mean that the across the English Channel, British housing finance system thousis in any sense "better" than slow. in other EEC member states.

The price that has to be paid in Britain for this relatively easy access to money is the variable mortgage rate—in no other European country can the mortgage rate paid by the majority of borrowers be changed as frequently, or as substantially, as in the UK.

Though the finance systems vary substantially, they fall into three basic categories. system, through which the profession and the building funds for house purchase are partly provided by contractual their aspirations (which are by savings schemes for those seek- no means commonly shared by ing loans. However, this formula can provide only a limited proportion of the purchase price which house buyers require and has to be operated in tandem with one or both of the other alternatives.

These involve the savings bank system, under which institutions and says that they financial institutions raise short-must possess adequate and term savings on the open mar-separate own funds. Members ket and then lend on at variable of the EEC are permitted to

WITH ABOUT half of all network, through which loans homes in the countries of the are funded by bond issues, made EEC now owner-occupied and on similar terms. Some Eurothe rate of home ownership in-pean countries, such as Britain creasing in every member state, and Denmark, rely solely on the role of European housing just one approach while others, finance organisations continues like West Germany, employ all three options.

The highest proportion of home owners is in Ireland (around 75 per cent) and the lowest is in West Germany (about 40 per cent) where priwide divergence in existing fin-ancial systems illustrates both the opportunities and the potential difficulties involved in despite clear evidence that the achieving an eventual common majority of people would like

to own their homes.
It is evidence like this which tempts British building societies though progress is bound to be

For not only have societies to confront and over-come a daunting barrier of laws and regulations governing the activities of EEC credit institutions, they will also need to reappraise some old attitudes and tested at home but potentially useless in a new market

The legislative process of the European Community repre-Some are based on the contract sents a maze even for the legal societies cannot escape it if their aspirations (which are by to be realised.

A general "umbrella" directive concerning credit institu-tions was approved in 1977. Limited in its requirements, the directive simply insists on a system of authorisation for interest rates to house pur- defer application of this direc- adopting the first option. Such chasers; and the mortgage bank tive to financial institutions for a risk is generally considered

a maximum of eight years and the UK Government chose to take advantage of this concession in the case of its own building society industry, along with the savings banks.

With a 1985 deadline, however, some amendment to the societies' controlling legislation cannot be too far away and is likely this year. In addition, the societies themselves have been talking to the EEC Com-mission about a specialist directive to govern housing finance

Implementation of the general directive on credit institutions is not the only legal obstacle to be overcome and primary

European links

MICHAEL CASSELL

change the Building Societies Act, 1962, which does not permit cross-frontier activities.

A number of amendments to the Act appear to be essential, not least the removal of existing limitations which confine lending to freehold or leasehold property, a form of tenure unknown to most other European countries.

Once the barriers are removed, the societies can choose from two basic methods of operation on the European mainland. They can extend their services from a UK base, in much the same way as they have developed from local operations in the UK to nationally represented organsiations, or they can establish a separate pre-sence in the markets they wish

But without the presence of a European currency there is a tlear currency risk involved in

to serve.

lender, or the institution.

socities could also face accusations of removing funds from a home market which might well find itself deprived of the necessary volumes of finance to main-tain activity at desirable elevels. In such circumstances, the societies could hardly turn off

the tap in Europe in favour of the UK-not without undermining their chances of establishing and maintaining a growing business on the continent. No wonder that the second

generally regarded as being the best, although this could be frustrated by national and local legal requirements. Hopes of overcoming this potential pro-lem lie largely in the adoption. The first tentance store of a special directive on the confinent have already been taken by UK societies. One

pressing for powers to enable operating in Brussels them to adopt either operational to provide advice them to adopt either operational to provide advice and some for all available method, though they are keenly services for the large numbers may well be relaware that such an opening up of British expansions working further afield. would also invite competitors to begin operations in the UK. So-called "freedom of establishment" would work both ways ness for the time when conti-and although such a trend neutal participation can become might work to the benefit of a reality,

to be unacceptable, whether it the consumer, it undoubtedly is borne by the borrower, the would heighten all-round competitive pressures. Until recently, the UK societies have petitive

> Until last rarely had to fight for mortgage business and their recent expeniences could prove to be a nations to complete freedom in
> permanent feature of their the field of hotsing france is operations if Europe was opened up to all the housing finance institutions. With the barriers gone (not

forgetting those on the taxation

front) the societies would ex-pect only a slow build-up of interest and of actual operations, and few participants may basic operational alternative is be involved in the early stages. There have been some suggestions that societies might con-template joining forces in consortia to make inroads into

in the City — while other societies are examining the

scope for operations, in readi-

pean housing finance institutions have been studying pro-Apart from the problems recently, the UK societies have spects for business in some of exportation and repatriation had little taste of what that neighbouring sistes and their of domestic currency, the can mean interest ultimately could extend

tion of a pattern in which each country already has developed a system that suits its own people best. As one building society executive put it, "We must not fool ourselves that a Europe. In many cases, there is no obvious slot in either the

considerable competition. "White some people believe that first participation within the EEC is desirable and potentially rewarding, others are far -designed in domestic markets can account for all available resources, the may well be reluctant to go any

> "Alternatively, it would be disastrous if UK societies found themselves on the receiving end of serious competation from the Confinent; without being in a position to fight, back.

Lack of frankness the main criticism

DO CONSUMERS get a fair deal from building societies? Since building societies are a long-established and honourable movement-founded in the 18th century and steeped in the traditions of thrift and mutual aid—that question should be academic. Yet building societies are often the subject of grouses by consumers, sometimes justified and sometimes not.

The Consumers' Associa-tion, publishers of Which? magazine, points out that "the building societies" dominant role in providing mortgages in the UK puts them in the front line for criticism." But, it adds, "often that criticism should be directed elsewhere-at the ties, for example."

The National Consumer Council, in a report published last year, also says that "it is understandable that building societies, with such signal credit and a great social transformation to boot, should not look too kindly on comment from outside."

In addition, the NCC report points out that the building societies in the past have shown themselves highly adaptable to change, "But the pace of change has now quickened," the NCC argues. For example, the NCC says that "it is not simply that many more married women work, whether or not they have children, but that one in eight families in this country is now headed by a single parent." Thus there are more single people who aspire to home ownership as well as more people who want to buy

houses in joint family groups, Moreover, the sharp decline

cuts in public sector spe and the low number of starts for new housebuilding have all created a different atmosphere in which the building societies have to operate.

But probably the greatest degree of criticism levelled at the societies is for their bureaucratic ways, their aloofness and their lack of frank-ness. "The societies are not as full and frank as, in our view, they should be in the information they disclose to their consumers, whether they be investors or borrowers," the NCC says.

"We have given many examples in the course of the

DAYID CHURCHILL

eport and consider taken together, they add up to a strong case for much

The building societies, for example, have only recently started disclosing valuation reports to the customerreports for which he has paid the fee. Such disclosure may have had more to do with the competition from the banks, many of which disclose valuation reports, than with any change of heart by the building societies' movement. Both the Consumers' Association and the National Consumer Council agree that more could be done by societies to communicate their basic lending eriteria to

That basic lending criteria should be given problem display in all branches—the NCC also wants it in language 'appropriate" to the area of the branch office—and any changes given equally pre minent publicity. Understanding such criteria

can be of vital importance to the customer. For example an investor who saves regu larly with a particular society may find that when he wants a mortgage, he does not qualify on some other Building societies

that they already freely pub-licise their lending criteria Yet an association survey found that the message was not always getting across. consumers surveyed said that they had been given information on how much they could barrow, only four out of 10 were aware of the percentage valuation that could be lent Moreover, only 29 per cent

were made aware of whether or not they had saved long or not likey had saved long enough willie only 39 per cent had been given information on the isue of property the society was usually willing to lend money on. Given the

importance of a home to most people, it is perhaps not surnet always feel happy with the treatment from building

Yet the same degree of animosity has not yet be apparent with the clearing hanks involvement in home leans. Perhaps this may be another example of how com-petition (from the banks) may be good for the consu in persuading building societies to change with the

Banks set the pace

customers, both borrowers and investors. It is suggested

CONTINUED FROM PREVIOUS PAGE

inner city decay. Over half Nationwide's lending now goes to first time buyers many of whom are on

Nationwide is participating in

help to two big present day

schemes designed to give extra

problems-first time buyers and

lower than average earnings. Nationwide is also contributing to urban renewal programmes in the city centres of Liverpool, Manchester and Belfast, where housing improvements are urgently needed.

Nationwide is supporting the renovation of the Inkermann Barracks near to decide Woking, Surrey in a development particularly aimed at first time buyers. Nationwide



Many society executives beieve in any case that measuring performance by growth should be a thing of the past and that societies will have to pay much closer attention to maintaining adequate margins and reserves. The profit ob-jective, it appears, could finally emerge as a respectable con-

All of which leads inevitably to the question of the ability of many smaller societies to surmany smaller societies to survive—in their present form—and what lies ahead of them. Although the number operating is continually falling—they were down to 257 by the end of September 1981 from 287 12 months before—there remain many whose future must be questionable.

while there is no suggestion that these will collapse, it seems clear that few of the smaller societies will be capable of responding to the challenge of a highly-competitive market and that any future they have must involve intermediate. they have must involve integra-tion with stronger partners. In his last annual report as

Chief Registrar of Friendly Societies, Mr Keith Brading cast doubt on the ability of many small societies to cope with intense competition and warned that the time left for advantageous mergers was run-

Mr Brading's belief is that the societies most likely to pros-per are those with the scale of resources which will be required to tackle the type of

societies' future success will centre not only, of course on their ability to hold off the challenge of the banks, but try is going to become more might also involve much deeper directly involved in the housing penetration into the opposition's own territory.

If the societies take the plunge and begin a much more extensive development of their own financial services along bank lines the resources re-quired will be enormous. They are already expected to become more heavily involved in providing money transmission services over the next decade as new technology reduces the clearing banks' dominance in this field

Within the societies, compr within the societies, computer-linked counter-top, terminals have already arrived and automatic telling machines are on the way, while moves by the hanks towards establishing money transmission terminals at retail outlets could open up the way for competition on what they have come to regard as their own territory.

The case for added strength the case for added strength through mergers is strongly supported by people like Mr Philip Court, chief general manager of the middle ranking Midshires Building Society; now steering through a merger with the Liverpool Building Society.

"I am herew about the com-

national societies and about 1 regional ones.
"The building society indus

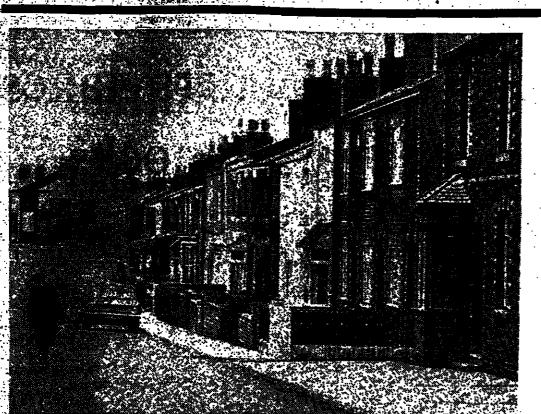
scene as a whole and will no building the homes need "At the same time; the societies are inevitably moving towards providing a financial supermarket which will be able products. Until now, our bus-ness has been a smale one but-as it gets more complicated, the products requirement and quality of staff ne

will both need to improve.

However, the scale of the potential problems which lie ahead should not obscure the societies, recent performance. The stagnation of house prices has helped create the impression that the private housing market—and hence the societies. market—and hence the socie a disaster area in the past 12 months. But their track record in 1980. The number of loans also rose from 675,000 to 784,000, one of the best annual

"I am happy about the com. The overall perfor petitive position which has however disguises the arisen but the changes taking widely differing perfor place across a wide front imply which have begun to emit that the larger die society is competitive pressions the better its chances of successful which seem like vival. By the year 2000, we characterise the industry however disguises the widely differing performants which have begun to emerge a competitive pressures mount occur. could be talking about the ten gress over the next

on record



Some societies are developing a closer involvement with the problems of inner cities by making finance available specifically for homes in these areas

Poor quality housing a key problem

cities last summer vividy brought home to the Government and public alike the reality of the poor housing conditions in which many people groups of potential purchasers live. Whether such housing since the high repair and mainwas the main-cause of the riots tenance costs of cheaper, poor is an open question, but there the high repair and mainwas the main-cause of the riots tenance costs of cheaper, poor is an open question, but there quality housing can lead marginal buyers into serious diffistandard living conditions do culties." not help to create a stable

doors of fire-initiding societies inner cities have fortunately dis. The 'themselves more graphic rather than them and control sopeared and I think there now ally than any building society government? Certainly, most is a general imideratanding of could be alleged to have done," observers believe that the tile need for building societies he points out.

failures rest largely with local and other lenders to exercise The Nationwide Building authorities and Whitehall-yr

The council says: "In the past they have by their relatione to lend on certain types of pro-perty, in certain great, or 10 telluted to impercity decline."
Mr Mark Boleat, deputy secretary of the Building Societies. Association, rejects such criticism. A few years ago it was fashionable to argue that building societies were contributing to inner-city decline by refus ing to lend in problem areas,"

ne says. "Societies, "Societies, rightfully, re-jected such criticisms although of course there must have been cases where building society lending policy could have been

faulted.
"Now, it is significant that there is a growing body of opinion which suggests that building societies should not be lending too freely down-market cities is that the private rented because this builds up problems sector has slowly diminished because this builds up problems for the future."

For example, Mr Boleat quotes a London Housing Aid Centre report, which says: Evidence of growing problens affecting existing owner-(arrears and threatened foreclosure, probems of maintenance and repair, and marital breakdown) is a further reason for doubting the wisdom of execessive extension of owner-occupation down the income ladder and into poor quality properties."

building societies generally accept these points. "The wilder But how much of the blams accept these points. The wilder for the poor housing in the comments about encouraging inner cities can be faid at the poor people to buy houses in and other lenders to exercise caution while doing everything the building societies come in possible to help the people con-

The National Consumer County The key problem with the cil, in its recent comprehensive inner cities is the poor quality and detailed report to the bouring stock. In Lonsumers, and halfding societies adon in spile of extensive clear-argues, that is half as societies and revabilitation schemes cannot must hear hacks. So, the since the mid-1960s, the degree problems of the more wast.

inner cities

increased. More than 241,000 properties are now unfit and 239,000 lack at least one of the basic amenities-representing about one-fifth of London's total

Moreover, there are still more than 200,000 households on council waiting lists, 1,800 families in bed and breakfast nodation, and about 1,500 people sleeping rough each

night.
The problem in London and in most of Britain's other major over the years as a result of Government legislation in the mid-1980s. At the same time, Government cuts in public expenditure over the past decade have severely limited the amount of new council house-

building.
Mr Clive Thornton, chief general manager of the Abbey National Building Society, says that "the overcrowded waiting lists for local authority accom-modation and the declining pri-vate rented sector have under-

The report, Mr Bolest points lined my belief that building societies are ideal institutions

Mr Thornton, who was par of the Environment Secretary's fact-finding team which visited Liverpool after the Toxteth riots, says that it is apparent that local authorities no longer Mr Boleat believes that the have the means either to sub-building societies generally stantially add to their stock or adequately maintain what they already have.

"Large council estates 'red

The Nationwide Building Society has earmarked £1m to help in the regeneration of inner city areas of Manchester. The money will be made available to help people buy derelict bomes in areas close to the city

The houses were acquired by Manchester City Council over the past six years but cuts in budgets meant it was unable to redevelop the properties itself. Consequently, the Nationwide stepped in by making funds available for prospective pur chasers who will also renovate

the properties.

The Woolwich also has a number of schemes to help people buy homes in the inner cities. Last year it launched the "Homes for Westminster" scheme aimed especially at firsttime buyers. It has also helped provide finance for inner city operties in Nottingham and parts of Northern Ireland.

The key question for the building societies movement in the 1980s is whether they should become more involved in house building. In a speech to a BSA conference, Mr Keith Brading, the Chief Registrar of Friendly Societies and the Government "watchdog" over building societies, comments that if the societies are to expand beyond their traditional areas of operation then it is logical that they should seek to do so in the housing field rather than in the financial field.

The Abbey National has become one of the first societies to attempt to expand its role in this way. The 1962 Building Societies Act does not permit societies to hold land directly. However, the Abbey has set up a separate organisation, the Abbey Housing Association— registered in May 1980—which became the first approved body under the assured tenancy pro-visions of the 1980 Housing Act.

funds for the association. On a site which had been derelict for some 20 years in the London Borough of Tower Hamlets, the association succeeded in building houses within six months of purchasing the land. That progress could the land. That progress could be made so quickly was due to the co-operation of the Greater London Council, the borough council, and Barratts the builders who had successfully tendered for the project on a "design build" basis.

The sim of this and future

Abbey National provides both the management structure and

The aim of this and future projects was to create a mixed development with a quarter or more of the units made available for rent and the remainder for sale with costs per unit determined in relation to the estate as a whole.

"I think building societies are in an ideal situation to take advantage of the assured tenan-cies provision of the Housing and I cannot believe that any future Covernment of whatever complexion would act against such tenancies," Mr Boleat says.

In the meantime, however, the Support Lending Schemewhereby societies make funds available to local authority mortgage applicants—has just been increased to £350m a year. This support, however, is not really needed at present (it was introduced in the mortgage famines of the 1970s) since there are now mortgage funds available from various sources.

William Hall on the policy and attitude of one bank to mortgage lending

Long-term commitment to

and that of the typical building society," says Mr Gerry Esam, deputy general manager of National Westminster Bank's domestic banking division. "The overlap is now 85 per cent," Mr Esam says and argues

that the banks' entry should be regarded just like the appearance of a handful of large new building societies. The early concentration at the top end of the market has now been replaced by a broad thrust into the heart of building society territory, although NatWest, unlike some, the line at mortgages under £10.000.

He thinks it is unfortunate if banks' competition is squeezing some of the smaller societies out of business, but stresses that his bank is here to stay. A sign of its long-term commitment to the market is the establishment of a special National Westminster Home Loans, in Newhall Street. Birmingham, to process cen-trally the bank's new mortgage

there were teething problems but feels that the bank's cen-

comes through the bank's 3,000 branches and the local manager normally gives his opinion about the credit-worthiness of the client. But processing of the

"WHEN WE originally entered application is carried out in must think in terms of a band the mortgage market in summer Birmingham, which also makes for "the totality of their needs."

The bank feels that while there may be disadvantages in terms of removing so much of the operation from the branches, the efficiency of a centralised mortgage market in the buildup phase, and the efficiency appeals to clients' professional advisers, such as solicitors.

National Westminster, which has the largest UK branch net-work of all the clearing banks, has been slower than its close rival, Barclays, in penetrating the market. But Mr Esam says the bank has now committed more than £500m and his boss, Mr Maurice Denton, says the bank wants to become a "major force" in the mortgage market. Esam argues that the

bank's decision to move into the mortgage market was not just to get a share of the lending but to protect the other side of the bank's balance sheet as The Birmingham staff has been built up to 150 and mort-gage applications are being processed at the rate of up to 200 a day. Mr Esam admits that

day. Mr Esam admits that from National Westminster it is likely that he will deposit his surplus funds with the bank, tralised operation is now work-instead of with a building Indeed, the bank's The initial contact with mortgage application form con-would-be borrowers usually tains a clause which says that in the event of an advance being says the bank is reviewing the made, the customer must mainbank account with NatWest.

the mortgage market in summer Birmingham, which also makes for "the totality of their needs."

1980 there was a 15 per cent the final decision to advance the accepts that the banks' overlap between our business credit. might force the building societies to move more into the banks' traditional areas of money transmission, but warns that anyone thinking of issuing operation gives better control cheque books "cannot forget of the bank's exposure to the the cost of dealine, with those the cost of dealing with those items, particularly the paper-work."

He denies that National Westminster, in common with the other clearers, is interested only in picking up mortgage business in the profitable South-East but admits that the bank's £10,000 minimum might make this look to be the case. greater proportion of under £10,000 mortgages are made in the less well off areas of the country where house prices are

He also dismisses the other complaint by building societies that the banks are taking mortgages on to their books as loss leaders. "I would expect to see a worthwhile profit over the medium-term," Mr Esam "The market is a pretty good one. There are no bad debts to speak of, provided one observes reasonable criteria." In addition, he believes that it is more profitable business for the bank than ventures such as the business start-up scheme.

The bank has not yet become as heavily involved as Barclays and Lloyds with builders, offering financing schemes for first-time buyers. However, Mr Esam ways it can help the housing market and does not rule out



Mr Gerry Esam: National Westminster's centralised operation is now working well with up to 200 mortgage applications a day being processed. The bank wants to be a major force in the business

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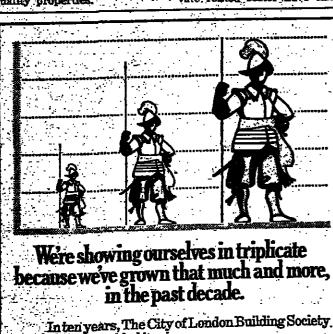
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BUILDING SOCIETIES IV

Faith of houseowners takes some awkward knocks

THE HOUSE PRICE game has undergone total transformation in 1981; the object now is to agonise over how much further prices will fall rather than reflect comfortably on just how much faster they can acceler-

That, at least, has become the preoccupation for millions of existing homeowners whose unquestioning faith in the investment potential of residential bricks and mortar has taken some nasty knocks over the past 12 months.

For first-time buyers, the standstill in prices may provide some grounds for encourage-ment, although they still have to cope with the barrage of

House prices

MICHAEL CASSELL

other financial obstacles which

have helped reduce the private

housing market to its present

Opinions on just what has

happened to house prices over

the past year continue to vary quite widely but there seems little doubt that any growth in the early part of 1981 had dis-appeared by the latter part of

the year and that any modest, overall price increases recorded

were more than wiped out by

inflation over the same period.

in the private housing sector

but, just the same, the pattern

has stirred assorted pundits

into proclaiming that to own

the roof over your head (or at least to share ownership with

the building society or bank) is now more likely to lead to

financial disaster than to any

fortune.

The fact is that the most recent of house purchasers

could, in the event of selling,

find themselves unable to achieve the sort of price which they themselves had to pay. Even if they succeeded, they might well end up out of pocket

by the time all the costs involved in moving had been

For most home buyers, how

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It is not a new phenomenon

There are few grounds for believing that the growth in prices to which they have become accustomed is about to return. For although house prices are now historically cheap -the present ratio between prices and average earnings is well below the long-term average of 3:3-and the number of transactions continues to run at very high levels, the scope growth in incomes.

ever, the substantial capital gains made in recent years will confinue to ensure that hand-

some paper profits can be achieved on sale. The trouble is that most owners have a con-

ception of the market value of

their property—usually formed by prices achieved on similar homes—and regard the failure to repeat or improve upon that

level as akin to a personal

disaster.

Time and time again, societies have claimed that the availability of mortgage finance cannot in itself provoke house price explosions and experiences of the last 12 months must have provided definite proof of that theory.

Although any rise in incomes during 1982 can be expected to be limited, a reduction in the cost of mortgage finance could provide some scope for a revival in prices. The high cost of home loans, while failing to deter many people from buying (the total number of building society loans during 1981 exceeded 760,000 against 675.000 in 1980) has represented without question a major constraint on prices any significant fall in LOANS' FOR HOUSE PURCHASE Building Societies

for big price gains remains mortgage rates could help start' strictly limited by the slow things moving again.

boun looks extremely remote. and it is difficult to see a return —at least in the medium-term -to a period in which market prices rocket ahead. Many building society people expect price rises to accelerate in the second half of this year and believe that, by 1983, significant price movements may again be

Gloomy

Few expect the recent deterioration in prices to give way to stanfial if not exactly pri a more extensive collapse, at Which of the lending or though the gloomiest believe tions ends up with the that prices for some time yet share of the mortgage but could fail to keep up with the remains a matter for sepprevailing rate of inflation.

however, that strong underlying demand for home ownership is not being deterred by recent events, as the number of transactions recorded would confirm. They emphasise that while the role of private housing as an invest-ment is invariably highlighted, people still regard their properties as their homes and most want to own them.

With about 55 per cent of the country's housing stock in the hands of owner occupiens, the scope for bringing large num-bers of additional people had the private sector remains sub-Which of the leading organisa tions ends up with the lion's



Micro-computer terminals now being installed by the Nationwide Building Society are reckoned to reduce counter transaction times by 60 per cent

Building programme falling well short

WHILE OPINIONS about the need to ensure that alternative housebuilding. They have finan-extent of the shortfall may con-housing tenures remain avail- cial muscle, the right mix of ing programme is falling far full extent of the building necessary to assess a quires.

virtual demise of the public housing sector and the continuing recession in the private sector have combined to create one of the worst levels of new housebuilding in living memory and appear to be pre-paring the ground for another

major housing crisis.

The government repeatedly points to changing trends which invalidate all the old assumptions about housing needs and housing demand, invariably rejecting the increasingly ominous forecasts about impending calamity as the mutterings of vested interests or of political foes whose own contributions in the housing field are only worthy of nousing field are only worthy of

Ministers are unapologetic about the collapse of the public sector—starts this year could be down to around 30,000 compared with over 120,000 10 years ago—claiming it represents a burden which the country could not afford and a choice which fewer and fewer people wanted to have Instead, they champion the merits of the private sector and point to the emphasis which their policies have placed on promoting home ownership in

all its forms.

When the recession ends, they say, private housebuilding will lead the way and construction will begin to climb back to the levels achieved for much of the 1970s. This year, starts seem unlikely to exceed 120,000, against 228,000 10 years before.

There is no doubt that the private housebuilding sector is private housebuilding sector is operating at well below capacity and as soon as general economic conditions improve building activity should substantially improve too. Demand for owner occupation is as strong as ever and the building societies and the banks have together ensured that, in recent months at least, the obtaining of a

morigage has been a remarkably troublefree experience. But given the extent of exist-ng housing problems and the housing tenures remain avail- cial muscle, the right mix of able, should the provision of management and professional

Events of 1981 lent borrific credence to the arguments of those who have consistently claimed that poor housing standards in inner city areas help create the type of stress which leads to social disorder In London alone, nearly 250,000 homes are classified as unfit and a similar number lack

some basic amenity.
Unfit housing stock and everlengthening waiting lists dominate the housing situation in major cities throughout the UK and it is becoming

Construction

MICHAEL CASSELL

increasingly clear that those traditionally vested with the responsibility of putting things

cial institutions be expected to do about it? The building societies find themselves in a strange position; their efforts to spread the concept of home ownership have been an un-qualified success and their own growth has represented one of the success stones of the 20th century and yet they have reacted to rather than helped shape the course of events in housing ever since they ceased to be directly involved in the business of building more than

100 years ago." building society executive in the land, Mr Clive Thornton of the Abbey National makes a stir Tho ring case for the societies market via the provision of accommodation for sale and

local as well as national scale and are non-profitmaking providing homes for tenants and owners, says that close co-operation between building societies and local authorities could make major invoads into tackling urban housing prob-

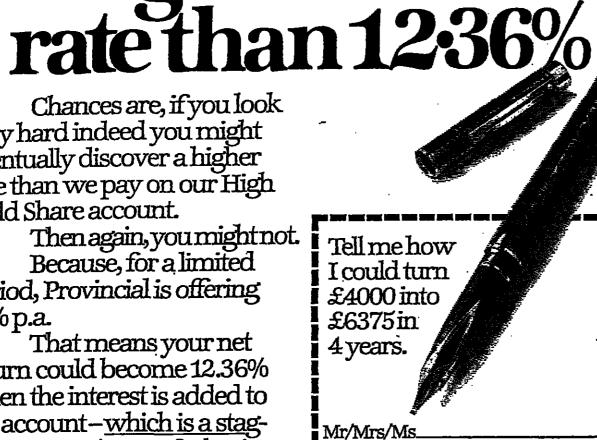
Societies, he have access to builders would normally pay and they do not require a mergin for the developers' which are normally added to house prices

"While the housing association concept is by no means the perfect vehicle, what I should dearly like to see is the top 20 societies combining with us in an immediate action programme

and of the quality ne that we can do it more quickly and at less cost than the public

of building back into building societies. Mr Thornton's remarks spell

on the abandonment of many of the traditional guidelines to which the building societies have framely adhered over the years and for that reason alone



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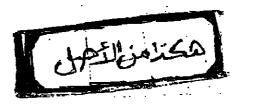
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RESERVES



A bewildering range of savings schemes is being marketed as societies go on the offensive..

Battling against the competition

A STRAIGHTFORWARD sav. the £100m limit, ings scheme offering devestors. The society cl ings scheme offering directors a net return of 2 per cent above the Building Societies Association recommended ordinary share rate was "offered in November by Bristol and West Building Societies and from the banks, so eager were investors to get into this golden savings opportunity so Bristol and West was offering arishidal west was off addition, only seven days notice of withdrawal was required and there was no interest penalty

In other words, it was very much like an ordinary share account with the 2 per cent extra interest for at least three years. Bristol and West set a target of £100m of bond sales with a closing date for the offer of December 31, 1981:

The response from investors, both existing and new subcessed, the bond issue exceeded savings market

The society claimed that the

First the building societies have come under severe and inings from the Government, through National Savings and the banks. The Government has set a target of £316n from National Savings in the current financial year and has offered very attractive rates and terms on its sawings schemes mainly the index-linked and the nonindexed-linked Savings Certifi-

cates. In these circumstances scribers, was overwhelming and net receipts of the building the society had to close the societies in 1981 of £3.47on offer on Monday November 23, showing a drop of only £3.40m 1981, barely a week after is a very commendable result. launching the bond. In the end, But the societies have had to when all applications received fight very hard to maintain building societies have moved by the deadline had been protheir share of the short-term away from one of their basic

CLASSIFICATION OF SOCIETIES BY ASSETS END-1980

Assets		Percentage of total	Total assets £m	Percent- age of total
Over £2,500m	5	1.8	29.799	55.4
Over £600m, up to £2,500m	12	44	14,515	27.0 -
Over £149m, up to £600m	20	7.3	4.748	8.8
Over £35m, up to £140m	48	17.6	3.430	6.4
Over £2m, up to £35m	113	41.4	1.264	2.3
Up to £2m	75	27.5	38	0.1
Total	273	100.0	53.793	100.0

variety of savings schemes of growing complexity. They have

been involved in an auction on rates competing with the return on National Savings and on the schemes offered by the banks. To provide these higher rates, the societies have had to impose restrictions and penalties. There are restrictions on withdrawal and penalties on withdrawal so that the societies are in effect not caught short by withdrawals at awkward times.

The result is that there are literally 101 schemes on the market offered by the societies and the investor is completely bewildered by the choice. His

Investing

BRIC SHORT

investment moves towards the scheme currently being adver-

In this development, the attractions—simplicity of operaespecially withdrawals. The Bristol Bond showed that one Society could offer this simplicity with a high return. The reaction to the offer speaks for

There is little doubt that the public is becoming a little bemused by the multiplicity of schemes now being offered, even though the intense competition within the movement and with other forms of saving have been to their benefit. The other lessons of the

This leads to the second point. that the banks and the Govern-The keen competition has re-sulted in societies marketing a own way in the competition for own way in the competition for

> While the majority of investors with a building society still remain loyal to their choice, there is a growing minority of savers that are now sophisticated enough to realise that yield is all important in investment. No longer are these latter group of savers prepared to pay for their loyalty by accepting a lower rate on their savings. There is a sizable amount of "bot money" willing

The support for the Bristol Bond showed that if the rate is competitive, the societies can pull in the money from the banks. The Government is theoretically in a very strong position to get all the money it needs through National Savings, simply because it manipulate the terms and

to move around to find the best

Nevertheless, the Government has had to make substantial concessions on its terms for National Savings to keep on line for its £31bn target. It has made index-linked granny bonds available for all investors, it has put up the investment limits, it has offered the highest ever yield on non-index-linked certificates. Yet people still will invest in building societies if the terms are attractive enough.

This competition has had a salutory effect on building societies and their methods of operation. The circumstances sur-rounding Bristol and West enabled them to offer the Bris-tol Bond on attractive terms, but another such offer is not likely for some time if at all. Societies in general have been Bristol story are that investors able to increase their yields by are becoming rate hungry and running down margins and

ferential mortgages.

But this latter feature is now rapidly disappearing and one vital question is its likely effect on yields. But the competition Provincial Britannia is not going to ease just so that the societies can adjust to this Bradford & Bingley

The high yields are here to stay as long as interest rates generally remain high and a society that ignores this fact does so at its peril. The societies are being forced to bring down costs and reduce management expenses by a much greater use of computers and a closer watch generally on expenses. The rate of proliferation of High Street branches in every small provincial town could rapidly decelerate.

The competition has resulted in societies looking for alternative markets and moving from the defensive to the offensive. Nowhere is this better illustrated than in the field of AVC schemes.

An AVC scheme enabled employees in a company pension scheme to boost their benefits by making extra pension contributions on a regular basis, It is usually advantageous to operate the AVC scheme quite separately from the main company pension scheme.

This area has for long been the prerogative of the conventional life companies, which have offered with-profit schemes -schemes that provide a high return but are generally incomprehensible to the average employee.

Concessions made in the mid-1970s now enable pension funds to invest in building societies and receive interest payments gross, thus avoiding the need to reclaim tax. This facility is ideal for an AVC scheme. The societies can now offer THE 30 BIGGEST BUILDING SOCIETIES (end 1980)

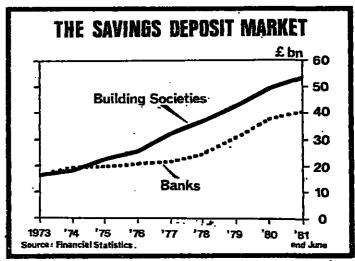
•	TOTAL	ASSETS	Thânt	AGGERO		CU A CO
•	Latest	Previous	- Latest	Previous	Latest	Previou
·	year	vear	year	year	year	year
	£'000	2000	Ě'000 .	£'000	£000	£'000
Halifax	10.594.433	8,942,592	1.941.629	1,584,682	307,019	254,26
Abbey National	8,640,912	7.250.512	1,681,708	1,276,159	308,048	266,923
Nationwide	4,653,533	3,935,308	777.644	675,826	148,026	126,70
Leeds Permanent	3,080,433	2,629,640	555,090	471,455	84,181	77,91
Woolwich Equitable	2,829,738	2,432,804	501,229	412,586	89,064	82,08
Anglia	1.882.254	1.610.352	352,348	281,344	75,420	64,82
Alliance	1.825,635	1.542.599	426,088	288,295	55,366	49,05
Provincial	1,639,956	1,397,786	360,394	244,44 4	63,547	55,24
Leicester	1,606,699	1,399,019	313,600	233,895	52,233	46,64
Britannia	1,464,438	1,247,719	371,751	263,438	55, 4 04	48,72
Bradford & Bingley	1.463,457	1,182,225	315,193	216,424	55,460	47,50
Burnley	882,640	761,448	181,129	145,455	34,297	30,78
Bristol & West	862,396	745,136	198.079	173,441	30,790	26,42
Cheltenham & Gloucester	780,397	674,858	168.392	149.278	28,352	25,10
Gateway	757,710	675,845	144,705	119,827	28,868	25,18
Northern Rock	679,730	573.942	137.897	108,712	24,704	19,96
Huddersfield & Bradford	669,654	604,896	129,132	103.948	29.525	27,35
London & South of England	435.544	267,184	84.829	44.673	17.657	11,11
Guardian	380,773	304,299	115,047	86.889	19,930	16,40
Coventry Economical	352,226	285,396	80,673	47,653	12,606	10,23
Midshires	328.348	283,213	62,569	49,553	14,968	13,33
Town & Country	320.802	292,565	62,864	54.963	19.381	17.41
Derbyshire	309,133	263,959	53,500	47,109	9,750	8.264
West Bromwich	293,796	250,235	75,083	57.461	11,983	10,05
Chelsea	249,140	222,908	45,965	40,571	9,107	8,564
Leeds & Holbeck	235,873	207.967	41.734	34.937	8,777	7.34
Portman	216.273	190,821	39.646	31.536	10.475	9.89
Skipton	210,557	185,164	45,605	36.198	8,276	7,7 0.
Principality	208.650	175,075	40,708	33,580	9.210	7.91
Staffordshire	190,091	163,119		43,391	5,958	
	エコリ・リスエ	109,119	45,824	40,071	وورونو	5,29

LIQUID ASSETS

returns of 15 per cent—competitive with life companies in a very simple form, similar to the share account. The employee is informed regularly on the position of his account and amount standing to his credit. The building societies now have around a sixth of the Additional Voluntary Contributions (AVC) pension schemes

Source: Chief Registrar of Friendly Societies

more schemes with companies so that the employee makes regular savings with a building society, the contributions being deducted from salary. But the societies have had limited success with insurance-linked sav-ings plans despite the yield attractions, simply because they



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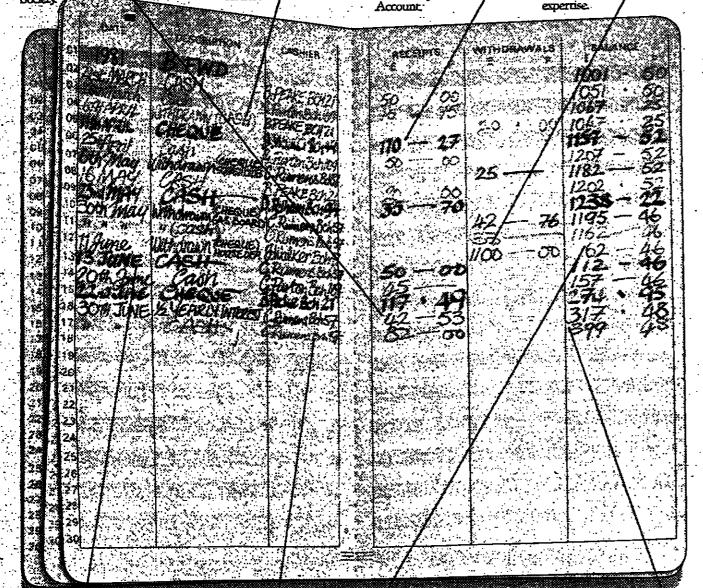
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Annual

£247.26

Premium

Ordinary Plan

Ordinary Plan | £123.63

Superplan

Superplan

value after

value after

£4196

These examples are for investors aged 16-39. Yields for older age groups will be slightly lower and details are obtainable from your local BBBs branch.

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£6668

10 years

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£1167

£1235

£2098 £3334

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FT COMMERCIAL LAW REPORTS

Lords rejects tax avoidance scheme

PILKINGTON BOTHERS LIMITED V INLAND REVENUE COMMISSIONERS House of Lords (Lord Wilberforce, Lord Fraser of Tullybelton, Lord Russell of Killowen, Lord Bridge of Harwich and Lord Brandon of Oakbrook): January 21 1982.

IN ORDER to be entitled to group relief against corporation tax two companies claiming membership of the same group should be under the same control: and transactions whereby the structure and control of one of those companies are altered for the purpose of obtaining group relief hut which do not render both companies under control are the same arrangements" under section 29(1)(b)(ii) of the Finance Act 1973 which disqualify any claim for group

The House of Lords so held Lord Wilberforce and Lord Russell dissenting) when allowing an appeal by the Inland the Chancery Division [1981] 1 WLR 781, and restoring the a commissioners' determination Pilkington Brothers Limited were not entitled to group relief from corporation tax in respect of a claim for capital allowances.

The Finance Act 1973 introduced provisions to limit the availability of group relief.
Section 29 provides: "(1) If, apart from this section, two companies (... the first companies). ' and 'the second company') would be treated as members of the same group . . . and (a) in an accounting period which ends arrangements are in existence by each a fully "deadlocked" com-

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virtue of which, at some time during or after the expiry of that accounting period . . . (ii) any person has or could obtain, or any persons together have or could obtain, control of the first company but not of the second then, for the purposes of the enactments relating to group relief, the first company shall be treated on and after March 6 1973 as not being a member of the same group as the . . . as

the second company."
Section 32 provides: "(6) In
...section 29 ... arrangements means arrangements of any

LORD BRIDGE said that the appeal arose out of the sale to Pilkington of Manchester Liners Limited's claim for capital allowing an appeal by the Inland ances Pilkington had two wholly-Revenue Commissioners from a owned subsidiaries, Hello TV decision of Mr Justice Nourse in Limited (HTV) and Villamoor Manchester Liners had Limited_ a wholly-owned subsidiary, Golden Cross. In 1974, agreements between those companies resulted in Pilkington retaining its holding of all the shares in HTV and 50 per cent of the shares in Villamoor; the remaining 50 per cent were acquired by Manchester Liners, HTV and Villamoor each acquired 50 per cent of the shares in Golden Cross, The effect was to constitute Golden Cross a 75 per cent subsidiary of Pilkington.

Alterations were made to the articles of association of Villamoor and Golden Cross, the on or after March 6 1973 . . . (b) effect of which was to render

Golden Cross purchased a conrender the resulting capital allowances claim to Pilkington, which was, in turn, to pay to Manchester Liners 87; per cent of the corporation tax which they would it was hoped thus be able would, it was hoped, thus be able to save by way of group relief. In short, Pilkington purchase the claim to capital allowances Golden Cross at a discount of 12} per cent.

The Revenue disallowed Pilkington's claim for group relief on the ground that section 29(1)(h)(li) of the 1973 Act prevented Golden Cross from being treated as a member of the same group of companies as Pilkington Pilkington appealed unsucressfully to the Special Commissioners but succeeded on appeal to the Chancery Division.

The Revenue contended in the present appeal that at all material times "arrangements" were in existence by virtue of which "persons together" (See Pilkington shareholders) had "control of the first company [Pilkington] but not of the second [Golden Cross]."

Mr Beattie for Pilkington, submitted, inter alia, that as no alteration was made to Pilkington's articles of association, and the shareholders as such were not parties to the scheme, the "arrangements" contemplated "arrangements" contemplated by section 29(1)(b)(ii) clearly embraced the provisions of the scheme establishing the new company structure of HTV, Villa-moor and Golden Cross, but did not include Pilkington's articles of association, which were the only arrangement affecting the control of Pilkington.

The Chancery judge acceded to that submission. He said that "arrangements" must be arrangements by virtue of which both the control of the first company is had and the control of the second is lacking." His Lordship was driven to the opposite conclusion by three main considerations: first, the definition of "arrangements." in section 32 of the Act as meaning arrangements of any kind predisposed him against imposing any limitation on the ordinary meaning of the word.

Secondly, with regard to " arrangements are in existence by virtue of which . . . any person has . . . or any persons together have . . . control of the first company but not of the second," the whole sentence was con-cerned with those arrangements which determined the control of both the companies whose entitlement to be treated as mem-

pany in that Villamoor was not under the control of Pilkington or Manchester Liners, and Golden Cross was not under the control of Pilkington.

bers of the same group was in issue. To construe "arrangements" as excluding those arrangements which regulated the conduct of the affairs of the same group was in under the conduct of the affairs of of the aff either of the companies in accordance with the wishes of its controlling shareholders seemed

simply to negate the plain meaning of the statutory language.

Thirdly, the legislative purpose underlying section 29 (1) (b) (ii) was that it was intended to introduce a requirement, as a qualification for entitlement to group relief, that the two companies claiming membership of the same group should be under the same control. The narrow construction of "arrangements" adopted by the judge would have the startling consequence that the only kind of scheme liable to disqualification under section 29 (1) (b) (ii) would be a scheme specifically designed to embody the very disqualifying features at which the provision was directed

The provision was presumably intended to have a practical operation and there was no room in the present case for applying any restrictive interpretation so as to cut down the plain meaning of the statute to make it accord with some supposedly legislative intention. His Lordship would allow the appeal and restore the deter-

mination of the Special Com-

missioners.

LORD FRASER and LORD BRANDON agreed.

LORD WILBERFORCE, dissenting, said that the approach he would make to the subject would be a simple one. Were there arrangements in existence by virtue of which any persons (the shareholders in Pilkington) had, or could obtain, control of the first company but not of the The arrangements made in 1974 did not bring paragraph (ii) into play because Man chester Liners was not in control of Golden Cross. The share-holders of Pilkington had no

1974 and to no other arrange His Lordship agreed with and applied the reasoning of the judge in general, and would have tismissed the appeal.

LORD RUSSELL also dissented

His Lordship would dismiss

part in those arrangements. The

sub-section was directed to arrangements for setting up the

group structure as existing in

For Pilkington: C. N. Beattie, QC, and C. J. F. Sokol (Norton Rose, Botterell and Roche). For the Commissioners: S. A. Stamler, QC, C. H. McCall and

Solicitor, Inland Revenue). By Rachel Davies

TELEVISION BBC 1

who the far left really are.

9.00 am For Schools, College 12.30 pm News After Noon. 1.00 Pebble Mill at One. 1.45 Bagpuss. 2.02-3.00 For Schools, Colleges. 3.20 Pobol y Cwm. 3.53 Regional 3.20 Popol y Cwm. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Captain Caveman. 4.30 Think Again. 4.55 Grange Hill. 5.20 The Amazing Adventures of Morph. 5.30 Welcome to Wodehouse (short stories by P. G. Wode-

house). 5.40 News

6.00 Nationwide (London and South East only). 6.22 Nationwide, including 6.45

Sportswide. The Superstars: The Ferguson Past Masters Championship.

TTV has ill-advisedly pushed Soap, still the best sitcom on television, and hour further into the night—in those areas lucky enough to have it at all—in order to make space for amother American series, called Bizarre. The most bizarre thing about the series is the way that ITV insist on labelling such childish humour "adult." 8.00 Fame is the Spur Howard Spring. 8.50 Points of View with Barry

Took. 9.00 News. 9.25 Kojak starring Telly Savalas.

10.15 Face the Music, with Joseph Cooper (London and South East only). 10.45 News Headlines. 10.15-12.30 am The Late Film:

"While the City Sleeps" starring Dana Andrews, Fleming Rhonda George Sanders.

All IBA Regions as Lendon CHANNEL except at the following times:-

ANGLIA

11.55 sm took and Sas, 1.20 pm Channel Lunchtime Naws, What's On Where. 12.45 The Friday Matineo: "Prelude to Fatte." 5.15 Emmerdale Farm. 6.00 Channel Report. 6.30 Link Up. 7.30 The Incredible Hulk. 10.28 Channel Late Naws. 10.35 Aujourd'hui en France. 10.40 Mysteriona Tales. 10.45 Three's Company. 11.15 Continental Classes: "With Are You?" 12.40 1.20 pm Anglia News. 2.45 Friday Film Matines: "The Black Swan," starring Tyrone Power and Maureen O'Hara. 8.00 About Anglia. 7.30 The Fall Guy. 11.00 Members Only. 11.30 Friday Late Film: "Search for the God," (TV Movie). 1.15 cm Birgitta and Swante.

BORDER

1.20 pm Border News. 2.45 Film:
"The House of Seven Gables," starring George Senders. 6.90 Locksround Friday. 6.30 That's Hollywood." 7.30 The FeR Gry. 10.30 Take the Mick, featuring Mick Ports and bis Gateway Jazz Band. 11.00 Bizarre. 11.30 Border News Stommar.

CENTRAL 11.35 am Something Different. 1.20 pm Central News. 2.45 Murder and Mystery Matinee: "Night of the Eagle." 6.00 Central News. 7.30 The Fall Guy. 11.00 Central News. 11.05 Invitation to Terror: "The Uncanny." 12.50 am to Terror: "The Barney Miller.

(S) Stereophonic broadcast

RADIO 1 5.00 am As Radio 2. 7.00 Mike Read. 3.00 Simon Bates. 11.30 Dave Lee Travis. 2.00 pm Paul Burnett. 3.30 Steve Wright. 5.30 Newsbert. 5.45 Roundtable. 7.00 Andy Peebles. 10.40-12.00 The Friday Rock Show (S).

RADIO 2 5.00 am Steve Jones (S). 7.30 Terry Wogan (S). 10.00 Jimmy Young (S). 12.00 Gioria Hunniford (S). 2.00 pm Ed Stewart (S). 4.00 David Hamilton (S). 5.45 News, Sport. 6.00 John Dunn (S). 8.00 Friday Night is Music Night (S). 9.55 Sports Desk. 10.00 Rolf's Walkabout. 10.30 Anything for a Laugh. 11.00 Brian Matthew with Round Midnight. 1.00 am Truckers' 7.25 News Summary. 7.40 Hold Down a Chord.

are black-and-white to evoke Beardsley's style.

Chris Dunkley: Tonight's Choice

Julia McKenzie, one of those actresses whose career has suddenly blossomed in mid-life, joins the cast of Fame Is The

Spur on BBC-1 playing Pen Muff, the daughter of Arnold's new

landlady in Bradford. Her wages are cut without explanation, she goes on strike, finds herself alone, and Arnold offers to

address her fellow workers outside the factory gates. BBC2's Newsweek investigates "the loony left," setting out to explain

BBC-2 also shows the second of John Selwyn Gilbert's works this week on Beardsley, this time a biographical play called

Aubrey. It tells the story of the artist's tragically short life from the arrest of Oscar Wilde, with whom Beardsley was associated in the public mind, to his death from tuberculosis at:

25. Although the play is a colour production, the set and contents

BBC 2

11.90 am Play School 3.55 pm Around with Alliss. 4.25 Images of War. 4.45 Flying High. 5.15 Trail and Sail. †5.40 "Sherlock Holmes in Washington" starring Basil

6.50 Barnyard Babies."

7.00 Oxford Road Show.

7.55 In the Country.

8.25 Newsweek.

9.30 Playhouse.

GRAMPIAN

9.39 am First Thing. 1.20 pm Friday Matines: "Mester of Bellantrae," starting Errol Flynn. 6.00 North Tonight including Sports Des. 7.35 The Fall Guy. 20.30 Feature Film: "The Mephisto Weltz," starting Alan Alda and Jacqueline Bisset. 12.25 am North Headlines and Road Report.

GRANADA

11.54 am Wattoo, Wattoo. 1.20 pm Granada Reports. 2.00 Liva From Two. 2.45 Friday Matines: Howard Keel and Anne Heywood in "Floods of Fear." 5.00 Granada Reports. 5.30 Kick Off. 7.30 The Fall Guy. 11.00 A Week on Friday. 11.30 For Adults Only: "Dear Desective."

HTV

9.00 Frank Ifield Sings Country.

11.50 am Certoon Time. 1.20 pm HTV News. 2.45 The Friday Movie: "In Search of Gregory." 5.15 Benson. 5.00 HTV News. 6.30 Mr and Mrs. 7.30 The Fell Guy. 10.28 HTV News. 10.30 The Good Neighbour Show. 11.00 Brian Moore meets Niki Lauda. 112.00 The Late Night Film: "The Woman of the Dunes."

SCOTTISH

1.20 pm News and Road and Weather.
1.30 Square One. 2.45 Fddsy Matines.
"Only With Married Men." 5.15
Emmerdele Farm. 6.00 Scotland Today. 6.25 Sports Extra. 6.45 HearHere, 7.30 Thingummyig. 10.38 Ways
and Means. 11.00 Bizarre. 17.30 Late
Call, 11.35 The Streets of SanFrancisco.

TSW

11.55 am Look and See. 1.20 pm. TSW News Headlines. 12.45 "Prelude to Fame." 4.12 Gus Honeybur's Magic Birthdays. 5.15 Enmerdale Farm. 6.00 Today South West. 8.30 What's Ahead.

10.55 Newsnight.
11.46 Friday Night., Sainrilay A Rodicates programme in black.
Morning. Nees 16.35 Postscript.
Mysterious Tales. 76.45 Three's pany, 11.15 Continents; Consens.
Are You? 12.40 gar South Westher.

LONDON

9.25 am Schools Programmes

11.55 Comic Stories 12.00 A Handful of Songs 12.10 pm Once

Upon a Time 12.30 Simply Sew-

Dial 2 Time 12.00 Simply Sewing: 1.00 News, plus FT Index.
1.20 Thames News with Robin
Houston 1.30 Take the High
Road 2.00 After Your Plus presented by Elaine Grand and
Simon Reed †2.45 Friday
Matinee: "Young and Innocent"

starring Nova Pilbeam and Derrick de Marney, 4.15 Danger-

mouse. 4.20 Storybook Inter-national. 4.45 Jukes of Picadilly.

5.15 Square One.
5.45 News.
6.00 The 6 O'Clock Show presented by Michael Aspel, with Janet Street-Poster and Fred Housego.
7.00 Brace Forsyth's Play Your Cards Right.
7.30 Hawaii Five-O starring Jack Lord.
8.30 Shine on Earvey Moon.
9.08 The Gentle Touch starring

9.06 The Gentle Touch starring
Jill Gascoine.

11.00 The London Programme:

12.65 am Paris by Night. 12.30 Close: Personal Choice

The Rise and Fall of King

5.15 Square One.

10.30 Bizarre

TVS

1.20 pm TVS News 2.45 Frighty Methoes: 'to Search of Gregory,' spa-ring Julie Christie. 5.15 Watth This Space. Ka Nearly Saturday, 5.20 HTV CYMRU/WALES—As HTV WEST Coust to Coast to Co

TYNE TEES

9.26 am The Good Word. 9.38 North East News. 1.20 pm. North East Ress and Looksmind. 2.45 Friday Matinan. "All For Mary." starting Nigel Petrick and Kethleen Harriston. 5.80 North East, News. 5.02 Sportarime. 6.30 North East News. 10.32 From North East N

YORKSHIRE

Film Matines: "In Search of Gregory." 5.00 Calendar (Emley Moor and Reimon editions). 5.30 Calendar Sport. (30 The Fall Girl. 11.00 Thriller: "Sign. It Death."

RADIO

Hour (S). 2.00-5.00 You and the Night and the Music (S).

RADIO 3

piano recital, Part 1: Debussy: (S). 8.15 The Living Poet. 8.35 Malcolm Binns, Part 2: Faure, Rayel (S). 9.25 Mind in Science (S). 10.00 Farenc Farkes (S). 10.15 Book, Music and Lyrics (S). 11.00 Neves. 11.05-11.15 Farkas (S). Lyrics (S). Alkan (S).

AMDIO 3

6.55 am Westher. 7.00 News. 7.05

Morning Concert (S). 8.00 News. 8.65

Morning Concert (continued) (S). 9.00

News. 9.05 This Week's Composer:
Haydn (S). 10.00 Now and Then (S).
11.15 Schumann and Liszt, piano recital (S). 12.15 pm Midday Concert
Part 1 (S). 1.00 News. 1.05 Interlude, 1.20 Midday Concert. Part 2 (S). 2.05

Monteverdi (S). 2.50 Northern Sinfonia:
Wind Ensembles (S). 4.00 News. 8.05 Descrit Island Distrational Concert (S). 4.55 News. 5.00 Meinly For Pleasure (S). 4.55 Play It Again (S).
7.00 Liszt (S). 7.30 Malcolm Birms,

Mind in Science (S). 1.00 Prents and Islands Prents (S). 1.00 Pr

Haves. 12.02 pm You and Yours. 12.27
My Word! (S). 12.55 Avesther. pm.
gramme news. 1.00 The World at
One. 1.40 The Archert. 1.55 Shipping
Forecast. 2.00 News. 2.02 Woomen's
Hour. 3.00 News. 3.02 Afternoon
Theetre: (S). 4.05 Report South West.
4.15 Modern Bussies Writers. 4.45
Story Time. 5.00 PM; News Megazine.
5.56 Shipping Forecast. 5.55 Westier,
programme news. 5.00 News. 7.05 The
Archives. 7.00 News. 7.05 The
Archives. 7.20 Pick of the Wesk. (S).
8.16 Profile. 8.30 Any Questions? 9.16
Letter From America by Affectair Cooke.
9.30 Kaleidoscope. 8.69 Westher. 10.00
The World Todight. 10.35 Wesk Ending
(S): 11.00 A-Book at Bertimm. 11.15
Teday: In Parliament. 11.45 Miles
Kington with recardings from the BBC
Sound Archives. 12.06 News.

CONTINUED FROM FACING PAGE

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On 15th February, 1982 there will become due and payable upon each Note drawn for redemption, the principal amount thereof together with accrued interest to said date at the office.

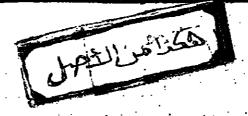
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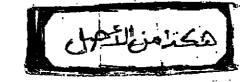


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The steam goes out of energy losses

Furmanite's rapid growth can be traced to a decision to back its leak sealants with a service to industry. Rhys David reports

IN THE energy conserving era should move from merely that Furmanite's technicians that has been ushered in by successive oil price rises, letting off steam is no longer—for industry at any rate—quite the harmless source of relief it used to be.

Steam lost in process indusjoints costs money, to be counted in extra deliveries of fuel, and the difference perhaps between profit, and hence survival, and loss. Conversely, how-ever, it also amounts to revenue for those companies that can solve the problem of escaping steam or other liquids or gases a service industry which in the 1970s has very rapidly been transformed from marginal to vital significance.

Such at any rate is the think-ing of J. Bibby and Sons which has been looking for ways to expand its industrial activities and which swooped recently to pick up for £3.4m an \$5 per cent share in Furmanite, a small private British company. From an unlikely base at Kendal in the Lake District Furmanite has become the big international name in the esoteric world of leak sealing.

In a deal which could prove to be one of its shrewdest in 1981, Liverpool-based Bibby - long to watch Furmanite's growth from its local Henry Cooke paper mill at Milnthorpe near Kendal—has acquired a business which made pre-tax profits of £0.9m in 1980-81 on a turnover of £14m. Perhaps even more important for Bibby is that Furmanite is well-American company, with which entrenched in the U.S. a market all contact had since been lost. which last year contributed two thirds of its profits.

The company, which employs 500 people around the world, has been adding to its leak sealing base a range of related near-moribundity only 15 years ago when turnover from the sale of its sealing kits was bumping along at a modest 548,000 and employees numbered only three.

At that time the present director. Forsyth who had family connections with the owners of the business, took time off from his then job in industry to give help and advice. His analysis—and

supplying compounds which are called upon to seal, more customers in the process industries applied themselves, and weil. Forsyth joined the company full time in April 1967 tries through leaking valves and and began recruiting and training technicians to specialise in applying Furmanite's com-pounds to leaks,

Previously, as Forsyth points out. Furmanite's compounds being applied customers' own maintenance staff. But as this was only when the occasion demanded, such staff were unlikely to be able to build up expertise. Consequently, the effectiveness of

Shutdown

With its own team working full time and becoming skilled in their application of the products, the service was quickly developed to cover temperature and higher pressure leaks, across a wider range of processes, where a plant shutdown would previously have been necessary.

In 1971, having established a number of overseas subsidiaries. Forsyth visited the U.S. to seek out the original Furmanite company from which the UK concern had acquired the compounding technology and Euro-pean marketing rights before the Second World War. had moved in the intervening period within Virginia from Newport News to Norfolk, and was in much the same condition as its British counterpart had been before Forsyth services to industry. It has arrived, devoting itself almost grown to its present size from entirely to selling sealing kits. · The outcome of talks between

Forsyth and Bob Furman-son of the founder of the business -was the winding up of the U.S. company and the establishment of a new service-orientated business with an initial capital Alan of \$25,000 in which the UK company took a 75 per cent stake. (As part of the deal it has negotiated, Bibby has bought out this minority share-

specialist compounds have also peen developed, as the company become a service organisation as has grown, to deal with other substances such as hot oil and boiler feed water, and to match the differing requirements of industries as diverse as food processing, pharmaceuticals and nuclear power. More recently the company has linked with Joe Bowden, a Texas-based oil blow-out expert, who will take on jobs-for example in the North Sea-under sub-contract from Furmanite, which will provide back-up services and support.

> As well as extending its range of services Furmanite has also kept pace with the growth of the international oil, petrochemical and other process industries with the establishment of joint or wholly-owned subsidiaries in 17 countries. Starting with the Netherlands. Furmanite has now extended its operations as far afield as Japan, India. Mexico and Venezuela. It also has a licensing agreement with Czechoslovakia, from where technicians regularly come to learn the company's process in its Kendal training school. A similar agreement with China is now one of Forsyth's ambitions.

Funding for all these developments has come mainly from bank borrowings: the Industrial Commercial Finance Corporation has also provided limited loan finance. The company's expansion in the U.S. over the past two years has had to be financed, however, through local borrowings and this has left the group as a whole highly geared in relation to its relatively narrow asset base-a problem which the link with Bibby will overcome. Though the company could have continued to grow independently it might not have been able to proceed as rapidly as it would have liked with its ambitious development programme, and in particular its planned diversification away from its basic emergency service to industry.

In the UK where it has three machine shops (in Kendal, Carlisle, and Derby) and in the U.S. where it has two (in Denver and Houston) the group produces engineering components for use the basis of the company's Though steam still accounts engineering components for use development since—was that it for more than half the leaks by Furmanite companies around



the world and has the capacity to undertake other work as well. Since the mid 1970s the company has also been able to use its own engineering resources. to machine parts such as valves on the spot in major process installations both in the UK and U.S. This is an activity which needs to be done when plant is shut down for maintenance and which therefore complements the leak-sealing process usually carried out under pressure. It is a service of the kind too which company would like to be able to add to its basic business as it grows in other countries.

Long search

Apart from being able to offer help with diversification the Bibby connection will give Furmanite security at a time when competition in its basic business is intensifying. The main rival in the U.S. is Leak Repair but other smaller concerns have moved into the field, attracted by the prospects of rapid growth in energy-saving services. In the UK, Sibex of Barry, South Wales, is Furmanite's main rival. It has now linked with Turner and Newall, which through another subsidiary Flexitallic — also founded originally in the U.S. — is one of the big names worldwide in

industrial gaskets. Bibby is hoping for parallel benefits from the deal. Geoffrey Thompson, managing director of Bibby's industrial operations, decided some time ago that it product.

should have more of its resources in industrial services and chose Furmanite after a long search. "We wanted to acquire an operation that would provide an interface with part of our own activities. We are very big energy users, particularly in paper, so Furmanite, as an energy conservation specialist, fitted in well."

The Liverpool group had also come to the conclusion that its overall business was weighted too greatly towards the UK. We have been trying to establish a bigger foothold in the U.S. and Furmanite will provide Thompson The group is already talking of using Furmanite's North American network to broaden its involvement in industrial

Having found what it wants Bibby is not proposing to make any major changes. Indeed, Forsyth, who will retain the balancing 15 per cent share stake. Is to stay on as managing director and is to become chief executive of a new industrial service division which will contain Furmanite.

In short, Bibby's side of the deal is to bring to Furmanite the support which being part of a bigger group can give in areas such as finance. With less need to worry about this Forsyth hopes to use his entrepreneurial skills to repeat in the 1980s the remarkable growth record that Furmanite has achieved since it set out

Human error: the major factor in North Sea accidents

conger eels all over. . . Poor topside management. Guys here are nuts (ungood nuts) and dear God I want out. I have really got to scare up another job after this one. I'm no longer impressed... Too many Brits/political hassies. It just

leaves my stomach twitching.
Oh God, please help me to exercise my talent and will to pull out of it. I don't even know if I'm going get out of here alive. I never know,"

This entry in the diary of a North Sea diver haunts the UK offshore oil industry. It was written by Richard Walker in August 1979 on the day that he and a colleague—Victor Guiel—made a fatal dive in the Thistle

Their deaths, in an accident at a depth of 490 feet; are recorded anonymously in the accident statistics published each year in the Energy Department's report, "Development of the Oil and Gas Resources of the United Kingdom." The figures show that three divers lost their lives in 1979, quite apart from the seven other offshore workers who died in construction, drilling and heli-copter accidents.

Provisional Government estimates indicate there were fewer deaths last year although the number of serious accidents could turn out to be at a record high level. In the first eight months of last year there were 50 serious accidents, five more than in the whole of 1980 and only seven less than the previous worst year of 1976.

The picture could have been blacker. On November 24 drilling rigs and platforms were battered by one of the fiercest storms experienced by North Sea operators. A floating production platform was dragged from its moorings in the Argyll Field and sent drifting in winds gusting more than 100 miles an hour. Not far away, in the Nor-

wegian sector, a large safety/ support vessel was in danger of being blown into the Tor Field's production facilities. But for the prompt action by the vessels' operators and swift rescue work by helicopter comnamies there could have been a catastrophe.

The offshore industry still has vivid memories of the one of the engines,"

Alexander Kielland disaster in Human error was to blame
1980 when in Norwegian for many North Sea actidents.

boat heaves a lot. There are a capsized accommodation plat-

But the view that North See oil operations are uniquely hazardous—a pilcuire drawn by the oil industry, accepted by Governments and fostered by journalists—has been challenged in a recently published book, appropriately titled "The Other Price of Britain's Oil."

The author, Kit Carson, a nior lecturer in Edinburgh University's Faculty of Law, argues that not only is the view erroneous but it may also contribute to the offshore industry's record of being one of the most dangerous workplaces in the

Carson says that diving is the most hazardous activity on the UK Continental Shelf, and possibly the most dangerous occupation in Britain." And yet he says, in diving, as in other dangerous offshore occupations, mundane design faults, human error and unsafe working procedures seem to play as signifi-cant a role in accidents as the "exigencies of high technology. adverse operating conditions and limited human physiology."

Untamed

"On the evidence adduced by this research, the real problems of safety in the North Sea are often the same as those encountered onshore and should be treated accordingly," he writes. "It is all too easy for those caught up at any level in a particular industry (or for those charged with its regulation) to become mesmerised by its unique features and reconciled to its reputedly special risks."

Carson asserts that while ad-

vanced technology and adverse operating conditions cannot be denied, the source of the greatest danger in the North Sea is not to be traced to the "unknown or the untained;" He points to the Alexander Kielland disaster. The chain of precipitating factors was "depressingly familiar." possible to detect weld failures or cracks before the installation, the rush to get gas and then phase he writes. "Similarly, oil ashore from the North Sea, phase, he writes. "Similarly, failure to allow for the loss of crucial buoyancy columns must recond. surely strike even the layman . "The Other Price of Britoin's as analogous to designing an Ou," by W. G. Corson, Martin aircraft without considering the implications of the failure of one of the engines,"

EDITED BY ALAN CANE

ON LOCATION at Thistle. The waters, 123 lives, were lost in Carson gays that, so far, our boat heaves a lot. There are a capsized accommodation plat of 64 fatal, serious or dangerous form. UK Energy Department's pur-view and upon which comment had been made, some 42 percent or 64 per cent were laid wholly or in part at the door of human error.

Carson is critical of govern ment attitudes to North Se a speedy development of off-share oil and gas production publicd the legislative response to safety matters very much into second place. It also "seawned a regulatory regime which a regulatory regime which became as special as it was in appropriate." Surely, says Carson, "It is only thus that we could develop a society which would finally put the price of men's lives above the price of oil."

In order to divorce, as far as possible, the economic aspens from: safety considerations Carson suggests that the Covern-ment should transfer safety posity responsibilities from the Department of Energy to the Health and Safety Commission and the Health and Safety Executive both of which reside in the Department of En-ployment. There was also an "urgent need," for an extension of the Health and Safety at Work Act's provisions which would allow greater influence by safety representatives an safety committees offshore.

Companies, he says, stiousd pay greater attention to safety matters. I have been struct by the extraordinary parallels which can be drawn between the history of something as upto-date as North Sea safety and that of the earliest efforts in impace statutory counted agon impose statutory control upon the operations of the dark sature, mills of the nineteenth century. In that era, as in the present, there were immutable laws of capital which rendered it imperative that regulation should be minimised. Then, as now it was a contraction of the contr now, it was constantly toreacened that capital would fice if subjected to any muce onstraints."

Carson contends that: "In safety has come a rather poor

Robertson and Contpany, Cowley Road, Oxford: £15 (hardback). £5.95 (paperback):

TECHNOLOGY

Can-makers to spend £5m on re-usable scrap schemes

BY ELAINE WILLIAMS

AN EEC draft directive, which calls for increased recycling of all types of food and drink con-tainers, has jolted Britain's can making industry into committing £5m between now and 1985 on after collexpanding voluntary schemes to authorities. turn old metal into reusable

- Mr. John Thomson, managing director of Material Recovery, specialist tin recycler, says: "The industry would rather undertake recycling voluntarily, and spend money now, than be forced to conform to an unsatis-

factory law." Every year, Britons buy 9bn food and drink cans most of the bigger local authorities which end up on council rubbish tips. This means, that out of a total of 1.1bn tonnes of tinplate used each year more than 850,000 tonnes are thrown away. Tin costs about £8,000 a tonne, but each can contains

and convert it into prime steel and pure ingot tins for further finplate manufacture.

Public participation schemes operate to encourage the return of cans to council run skips, rotating magnetic drum, which and work on the same basis as separates the light ferrous

the best way of retrieval is by cans from waste ' mining ' collection by local

Pilot plants

Material Recovery has rea company set up by Metal Box, cently completed construction British Steel and Vulcan, a of the first major plant to excently completed construction tract cans from domestic waste at Stalybridge near Manchester. The new process was developed and refined at pilot plants near Newcastle upon Tyne and Stoke-on-Trent. Mr Thomson says that only

waste a year, would benefit from a plant like Stalybridge. Stalybridge is a joint venture

Greater Manchester Council. It can process between only 0.5 per cent of the metal.

Can makers would like to recover and recycle an additional 400,000 tonnes of cans tonal 400,000 tonnes of cans are cycling at Vulcar's de-tinning cycling at Vulcan's de-tinning plant in Hartlepool.

The process is based on magnets, shredders and high speed conveyors. The first conveyor flings the waste at a

the glass industry's "bottle materials from heavier objects.

But the makers believe that waste further while remaining waste further while remaining cans are shredded into strips and sent to the de-tinning plant. There it is leached out of the steel using a caustic solution. Recovery is achieved by electro-

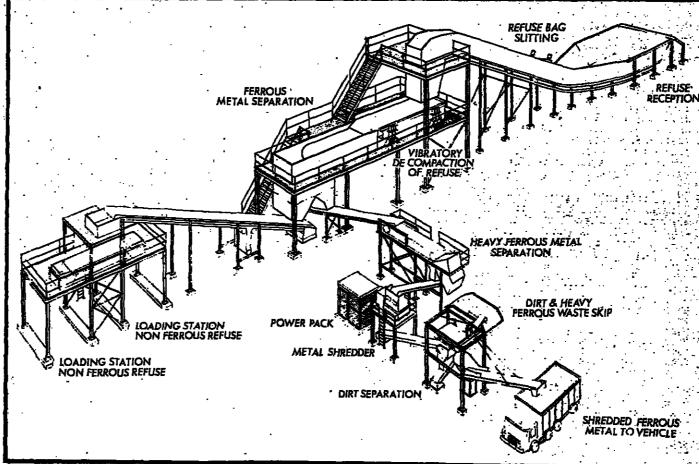
> Mr Thomson says that the main difficulty is cleaning cans mixed with old newspapers. plastics and rotting vegetables. The company has tried some sophisticated techniques including a cryogenic method developed by British Steel.

> Because metals become brittle at low temperatures it was hoped to flake the tin layer away from the steel after dipping in liquid nitrogen but the cost-in an already marginally economic process-ruled this

Instead. Material Recovery settled on a water washing technique adapted from the coal industry. Mr Thomson says: "We are not offering councils high technology, but the know how to make it work."
He realises that a £500,000

reduce the cost.

the option of joint ventures to



The Material Recevery plant line installed at Stalybridge near Manchester

He realises that a £500,000 a hard time persuading counplant is beyond the pockets of
most local authorities. So, the
was the first to be first to talks are going
company has offered councils
scale plant and talks are going
scale plant and talks are going
used for drinks each year. on with larger authorities, such as the Greater London Council. educe the cost.

But the company is having The process does not provide

Ideally, these need to be sorted before they get to the rubbish

This is why the industry's have five major UK can makers have schemes, decided to commit a further worthwhi spent by Material Recovery, on

Subsidise decided to commit a further worthwhile for councils to do. spent by Material Recovery, on says. We do not yet know whether it will ever be profitable."

because it is not

Do I to share costs on satellite equipment

try is to share costs with DCC poration in the U.S.

munications link by transmitting over the next four years, the only "voice active." traffic: the U.S. corporation set up the UK ment of two kinds of equipment TDMA—time division multiple link becomes more efficient and subsidiary in mid-1980. needed at ground stations for access—and it permits several the transmission costs are communications with satellites. earth terminals to access a lowered. DCC is the UK subsidiary of satellite on a time sharing basis. To po

computers

See us at the Computer? Show.

THE DEPARTMENT of Indus Digital Communication Cortry is to share costs with DCC poration in the U.S. doubles the capacity of a communication of Dunstable for the develop- One of the systems is called only "voice active." traffic: the U.S. corporation set up the UK

speech interpolation) roughly European administrations will full manufacturing in 1983.

To position itself for the The other, called DSI (digital interim Eutelsat stage, for which

Development work at the Dunstable location aims to produce a first prototype by the middle of this year, followed by

Attache case for furnace experts

furnace commissioning service engineer is an attache case sized equipment from Neotronics that will provide a continuous "real time" display of stack temperature and combustion tion. efficiency (which it automatic-

LIKELY TO interest the boiler/ ally calculates and displays). Called PCO (portable combustion optimiser), the unit can be plays oxygen and carbon connected by up to 20 metres of cable to the stack probe, enabfing the engineer to adjust prove a useful diagnostic aid for oxygen content, carbon mon-burner controls while monitoroxide, stack gas differential ing changes in stack gas condi-

To allow quick burner control occur.

air ratio setting, the PCO dismonoxide at the same time. The instrument should also system malfunctions, enabling action to be taken before major damage or excessive fuel losses

Film sizes

TWO PRODUCTS put on the market by Mitek of Yeovil Road, Slough (Slough 76411) allow collections of different sizes of microfilm records to be reduced to one standard size while original documents of any size filmed to the same standard,

The SVK conversion camera supplied by the company and made in West Germany allows films ranging from half-plate to mirofiche to be re-filmed to a chosen standard size-16 mm film, 35 mm film or microfiche. Colour transparencies can be dealt with similarly.

The second camera, designated UKM, can film documents up to 60 x 40 mm to a standard size using reductions up to 70 times. The fiche and roll film heads of this camera are interchangeable with the SVK

Capturing waveforms by four-input device

MICROPROCESSOR-BASED, a recording. four input device from SE Labs (EMI) allows extremely fast on a five-inch CRT, allowing the transient waveforms to be complete contents of each captured and displayed on a screen.

Known as the SE2450, the device has 16k of memory per channel for storing the pheno-mena, which in engineering and physics can range from explosive or optical (for example, laser) events to fast pulses from electronic circuits. Use of a microprocessor pro-

vides a number of useful facilities. For example, up to six sets of front panel settings of controls can be stored in a non-volatile memory, for recall

The four traces are displayed

channel store to be seen Alternatively, the user carr select a portion of the save form for expansion in time on amplitude

On street measurements can be calculated and displayed using a cursor which allows individual memory locations (that is points on the wave-form) to be identified. The fourwaveforms can be added or sub-tracted and otherwise manipu-

Other versions with there, of less memory per charged can be supplied. when needed to suit a particular be supplied.

rhebb Engineering . contractors to the oil eas, chemical, processand DOWCEDCOCCEREDO industries.

Intergraph pictures in 3D

THE LATEST computer-aided design/manufacturing (CAD/ CAM) system from Intergraph Europe (0753 47033), the model 2302, employs up to four graphies work-stations each

with two screens. One of the screens offers three dimensional pictures while the other provides separate two dimensional interpretations. The screens have a resolution of 1280 x 1.024 pixels and a refresh rate of 50 times a second, allowing good

dynamic presentation.

Model 2502 employs a DEC ISI 11/23 computer enhanced by the company's own multi-wire haviware sub-systems to

wire hardware sub-systems to distribute the processing. This maintains a high response level at the workstation while the central processing carries on the high speed processing associated with graphics design calculations.

This assign comes complete with the foreign one complete with the foreigns one contracting design and draughting the other offering database management, for both graphical and son-graphical database management, for both graphical and son-graphical database management, for the two parkages are closely linked to specific user application programs such as

application integration such as green analysis.

A basic system costs £117,000, ohis £30,000 to each additional works \$117,000.

VIEWARLE

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WHITE PUBLIC

THE ARTS

Cinema

The Bogey man embalmed

by NIGEL ANDREWS

Body Heat (X) Warner West The Woman Next Door (AA) Fort Apache The Branz (AA) Odeon Legester Square

Is there a open for film-Is there a consection in the buffery?

Lawrence Body Beat and, before that swiller of those bows to bygone blood and thunder, Raiders of the Lost Ark and The Empire Sirkes Back, was clearly brought up on Hollywood income since he was breeding to a poocoun stand. knee high to a popcorn stand. His vision is rectangular, he sees life in lush tracking shots

and chiaroscuro and julcy camera angles. Body Heat is riddled with that delicing prone disease, purple cinephilia; a rare chromatic strain of film noir fever. Shadows slant across the screen in Veneetian-blind stripes smoke and mist lend sultry mystery, jazzy saxophones burble on the soundtrack and the camera skiffiers in sinuous diagonals of cranes slowly, portentously up or down like an

omniscient yo-yo.

Where are the human beings in all of this? Inquire you may. Even in the heyday of film noir when Barbara Stanwyck and Fred MacMurray traded acerbic wisecracks in Double Indemnify or Mary Astor threw doomladen oeiHades at R. Bogant in The Mattese Falcon—human vivacity and volition were at bay against

the loaded fatatism of style and Body Heat is set in a presentday Florida of the rich the not-so-tich and the very very-rich. But as shot by Kasdan and photographer Richard Kline, it might be 1940s Los Angeles; courtesy of Raymond Chandler. Ceiling fans whir, shadows fret the walls as handsome, guilible lawyer Ned Racine (William Hurt) is lured into an amorous spider's web by svelte Hurt and Turner do their uest and sexy Matty Walker in the lead roles; he with a and sexy Matty Walker (Kathleen Turner), a rich man's

wife louchely on the look-out for distraction other's bows one day on the sea-dream-staved, really throw side boardwalk. He is dumb career and caution to the winds side boartwalk. He is dumo-career and cauton to the winos struck by her form-fitting white to catch a vampy Rita Hayworth dress and cobra-like hip move reincarnation who speaks in a ments. She is smitten with his constant sammer of double dogged machismo. "You're not entendre baroque? Sex is no too smart," she says: "I like longer a black-market comfat in a man." Sooner than you mostly in the 1989s, as it was can say James M. Cain, he's when censors ruled our cellubot-footing affect her to her loid, but Body Heat comes on

mansion, an out-of-town Gothic like Wicked of Winnipeg burst-Kanadu fanned by palms and ing with notions of the supra-lit, it seems, by Josef Von Stern-berg. Jused thither by the of the unattainable. miasma of sexy mystery and the call of a Plot.

mezzo. And then after a sultry bout of hard-to-getmanship—she locks him out, he smashes a window to get back in—they're panting on the floor in glorious Technicolor and keel-over Panavision.

Thereafter, Body Heat high-tails into the grand old 1940s delirium of adultery, murder and ever sizzlier tensions. Twist follows twist—a spouse (Richard Crenna) murdered by the lovers who has his posthumous revenge blackmail and exposure threats to Hurt (did she originate them?), a climatic boomerang of mistaken identity —and the paranoid couple, starting at everything as the plot sinisterly backfires, finally start to mistrust even each

Few handsomer movies hold present day screen sway. But high-class looks are bought at a mighty high cost. Body Heat is a chef d'oeuvre of the embalmer's art: it's made on the principle that there are few things easier to beautify with-out-demur than a subject that hies stone still and mert, for the simple reason that it's dead. The film noir cargo of awful wealth hungry dreams had meaning in the 1940s because it was a product of post-Depression, war-traumatised America: just as the heavily-immended seziness of that time was a bequest of the Hay's Code era of thou shall not say what thou-

meanest. But in the 1980s these once grand and vibrant tropes are like landed whales, thrashing around on terra relatively firma and gasping for a gill ful of the old engulfing viscosity.

clotted, moody strength, she with a snaky, steamy ripeness. But would a third-rate lawyer Matty and Ned cross each in modern-day Florida, however

of the unattainable. What it is really going gage "Some men, once they get a whiff of you they trail you like a hound" she cozes in her smoky mezzo. And they can be sold the converted the sold his soul for a last surviving 35 mm converted the Richard Research Converted to the Richard Research R ing 35 mm copy of The Big Sleep, we might have belief in him and Kasdan might have made us believe in the film's empurpled monomania.

Francois Truffaut's new film The Woman Next Door suffers from the reverse affliction: a platoon of human beings moyen croyables but no braveries of style or visual baroque to cos-tume them in. The waves of the French nouvelle vaque are looking wan and sudsy these years. Truffaut, once the third tyne of Neptune's trident with Godard and Chabrol, has taken to forking-forth soap operas ever more frothy and forlorn.

In the new film the lathery interrogatives rain down cease-lessly. How will Gerard Depardieu, tucked away in green-belt Grenoble with wife and child, greet the news that the wife of the couple moving in next-door is none other than his old flame Mathilde (Fanny Ardant)? Will Mathilde set out to re-stoke past passions? If she does, will her stuffy husband (Henri Garcin) smell un rat? What advice will crippled but all-wise Madame Jouve, who runs the local tennis club and broke her leg in a lovelorn suicide leap decades before, give the couple as they teeter on the brink of adultery? And how will pretty and slow-to-twig Mrs Depardieu (Michele Baum-

Confused? You will be; and contused also, as question-marks hammer down concussing your powers of assimilation. Truffaut peers down some potentially fascinating back-rivers of human emotion: the youthful amour fou which grisly coincidence suddenly reawakens in marital midlife, the collapse of petitbourgeois provincial protocol as passion is unmasked. But he's lost the ability to give these themes cinematic life or a driving. organic force.

gartner) react when she finds

Trailed through whey-faced settings by an obsequious camera, Depardieu and Ardant try to paint in the limitless supply of psychological lacunae which Truffaut leaves only dimly hinted: the unspoken history of their past liaison, the manic-depressive streak in her. the once bitten-twice-blinkered



two thoroughbred thespians in *Grant* to play Newman's riotharness cannot alone a good book-reading police boss.

movie make. Truffaut never Undoubtedly symbolic in its movie make. Truffaut never Undoubtedly symbolic in its finds the cinematic electricity to intentions, the rodent was probboost the film from the low- ably giving its impression of a power what-nexts of soap-opera rat inspecting the sinking-ship to the higher voltage of tragedy or melodrama, or even of a little: néance for a wet after-

Apache — the Bronx a mouse a few colours flying. Take with made frequent appearances on a pinch of salt the deja vu the raised apron in front of the moralism of the central antagoscreen. Nose in the air and nism-Newman as the spunky, hours' busy traffic of the film.

Book Review

William Hurt and Kathleen Turner in Body Heat streak in him as ne defies admis- whiskers vibrato, it scurried improvising realist against sion of a resurgent love. Ardant forth to study Paul Newman's Asner the rule-book martinet has a wide-mouthed Latin performance as grey-haired, smoulder beneath sharp-seeing happy-go-sceptical Patrolman French eyes which neatly Murphy, fighting crime in the notates her personality contradictions, and Departieu bestirs the screen with his rangy, restive inventive animalism. But the contraction of the c

progress of Rank Film Productions. For Fort Apache is among Flaubertian sentimental educathe last projects Rank helped tion. It's all much ado about too to initiate, and if the ship is going to go down with this fairto-lively U.S. cops-and-robbers At the Press show of Fort romp at least it will do so with

and take with ditto the hefty helpings of plot coincidence purveyed to twitch the story along. What you are happily left with is a seething thriller of crescendoing chaos in New York's allegedly grisliest police precinct.

Newman rooks and acts better than in years. That chewy, look-no-pretensions self-deprecation — he's one of the few actors who can drawl with his voice and twinkle with his eyes at the same time—is all loose, alert reactiveness. Murphy is one of those police folk-heroes -never promoted, always a valient dissident—who probably don't exist except in Hollywood liberal movies. But Newman brings him alive and magnetically mortal for at least the two

Warehouse

Peter Brook

by MICHAEL COVENEY

On Wednesday night, Peter There was Irma La Douce and Brook walked into a flood of light in an empty space. After complaining, quietly, about the distance between himself and seen as a Beckettian nightmare, the audience he invited over the audience he invited ques-tions. Many questions were asked but the answer was one unhurried speech about the modern theatre, his views and passions organised in an unbroken are of articulate, unpre-tentious opinion.

Since his famous 1970 production for the RSC of A Mid-summer Night's Dream, Brook has retreated from the British theatre (although he remains an RSC director) and worked with actors of all creeds and colours in an international institute in Paris. Their work is performed in a disused vaudeville house, the Bouffes du Nord, this long term project punctuated by foreign tours. The whole object is one of continuous self-discovery, of wiping yesterday's slate clean and of investigating the popu-

lar roots of theatre.
At the end of his talk, Brook was asked to define the differperformer. He said that this dangerous to ascribe to performer. He said that this dangerous to ascribe to was the fundamental question: current austerely celebratory made a cynicism about the apprince. No one Judy Garland, is one whose personality flowers under the spotlight of audience attention; an actor is one who sinks his personality in a deed of self-

Nature's spellbinders and nothing he says is without pith, moment or consideration.

It is a fashionable pastime to knock the cult of the theatre and opera director. Brook him-self knocked it, with a civilised inflection, when he mentioned German directors who tell their own story through actors and the arrangement of tableaux vicants. For someone whose reputation is as great as, in their day, those of Piscator, Reinhardt or Meyerhold, he is refreshingly untheoretical. He sees the role of the director as one of regenerating the rehearsal process when it founders on the rocks of actors' vanity. anxiety or sheer terror. But he carries effortlessly the authority of a born leader, a gifted teacher, a frank magician.

of the Warehouse Festival mounted to coincide with the Marlowe; then Jonson, Heywood, Marston, Chapman, chapter—but little about his
Middleton, Tourneur, Webster, chosen authors, for they were
Ford, Beaumont and Fletcher mostly so forgettable. The
and Massinger. Their chief other actor-managers, Bancroft,
and Massinger. Their chief other actor-managers, Alexander

much of British theatre over sitting still. That, above all, is
the past few years. Brook
adamantly defended the growth
of alternative venues, community arts, lunchtime theatres.
These were the true growth

> Brook's career is among the most assonishing in the modern theatre. He directed opera at Covent Garden after the last Stratford-upon-Avon with Love's Stratford-upon-Avon with Love's Labour's Lost in 1946 and Measure For Measure (with John Gielgud) four years later. He directed verse plays of Christopher Fry and T. S. Eliot in London in the mid 1950s ("that was in a previous life—but I have always valued working in so many different forms of theatre and I loss the the strath. Coventry, Southampton, Llant-wit Major and Bristol. theatre and I loathe the snob- wit Major and Bristol.

The Theatre of Cruelty season in the mid 1960s culminated in The Marat/Sade (in my view his most extraordinary production), the provocative U.S. and a National Theatre Occipus that tied the actors to Old Vic pillers and featured the largest phallus in the world playing opposite John Gielgud and Irene

The search for theatre since then has involved the rejection of what most people think of as theatre. In the stripped, eerie ambience of the Bouffes du Nord, the audience crouches on banquettes, as crucial an element in the performance (Brook would aver) as the peel-ing walls, the actor's art and the play itself. The theatre, in short, is a crucible of different elements with a common pur-pose: the phenomenon of

theatre.

who has seen his Ubu or his The Cherry Orchard in that bare Paris setting comes away feeling they could have had transformation. The most that experience anywhere but interesting tendency of con- in a theatre. The new temporary acting was towards naturalism of the studio producamalgamating these two functions.

Brook, looking more than ever like a charismatic garden gnome, falls, paradoxically, into the first category. He is one of they are about nothing less than the wonder of imman experience,

> Brook has done everything in the theatre. He has played to audiences of children, prisoners and psychiatrists. He has tramped through deserts, been fêted at festivals. He has designed sets, composed musique concrète. He has worked with the greatest actors of our day and many of the leading play-wrights. "New writing" in itself no longer, if indeed it ever did, excites him. The quest is for the right conditions for the best performance.

He is open, funny, immensely erudite. And he works mainly in Paris. Our theatre no longer can accommodate him-his last RSC production, of Antony and Cleopatra, was frankly dreadful. The informal lecture was part His recent Carmen in Paris, widely acclaimed for its naturalistic return to the departure of the RSC from chamber conditions of the Covent Garden to the Barbican. Opera Comique, is already a Although honestly admitting critical milestone. But there that he had not seen all that are no signs of Brook ever.

Company on tour

Company, a group of free-improvising musicians who will be touring England and Wales from January 24 to February 7 War, made his name at as part of the Arts Council's Contemporary Music Network,

tures. bery that dismisses such work Company was formed by B. A. YOUNG without knowing about it"), guitarist Derek Bailey in 1976.

Theatre Technis, N.W.1.

Medea by Rosalind Carne

lar case: through the energing of stony self-interest. Creon vincing tears. Yet the passion measures of Philip Vellacott's could well be a Home Office never hits us as it should, but translation. Despite the current official despite the references for the few moments when she crase to latch on to the play to the royal family. Medea herwight's interest in women and self is unmistakably Greek, and in the decline of civilisation, her ultimate refuge in Athens his works call for a director implier an unlikely trip across pathos, which makes the

5

Emipides should not be with the plight of Greek Cypriot individuals who deliver them trusted to take care of himself, refugees. Jason is dressed as Angelique Rockas as Medea He speaks through a haze of a British naval officer and expresses a degree of passion contains and in this particular register his lines behind a façade in this pression of stony self-things. it is true; she even sheds con-vincing tears. Yet the passion pathos, which makes the solden age runs from the murder quite incomprehen-

From Marlowe to Irving its," with extra emphasis on the last 30 years of last century. The Golden Age of

English Drama by S. Gorley Putt. D. S. Brewer (Cambridge). £15.00, 231 pages Theatre in the Age of Irving by George Rowell, Basil Blackwell. £12.00, 189 pages

These two books cover the theatre under two queens-three if you count James I's of vision, not simply curiosity. The Irish Sea, for Declan MulReverence is not essential; a holland as King Aegeus does
fringe version at the Day nothing to disguise his native
House last year twisted the play accent.

In knots most successfully. But Even a moderately talented hesitant respect is disastrous, cast, foisted with this bunch of interpretation are commore with careful ensemble bounded by dabbling in masks work (it is impossible not to the seating is extremely commonded by dabbling in masks work (it is impossible not to the seating is extremely common directed by George speeches here have precious Engeniou, is to draw parallels. Ittle connection with the seating is community, in English and in Greek

The intention, in this production with the seating is extremely community, in English and in Greek

The playwrights dealt begin with the "university of the late Jacobean, in this production of the late Jacobean, in the playwouses began to bun to the late Jacobean, in this production of the late Jacobean, in this proportioned, though illustration in the present building. The performance space is well-proportioned, though illustration is extremely common thing to disguise his native

Theatro Technis is celebration to the late Jacobean, in this production of the late Jacobean, in the present building. The performance space is well-proportioned, though illustration is extremely common the common of the late Jacobean, in this production of the late Jacobean of the late Jacobean

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works are examined in detail from a standpoint where the plots are kept firmly in their own time, with no suggestion that they could be updated, and yet the characters are credited one of the characters. These were the true growth areas, the necessary adjuncts to the establishment stages. Without them, there was no possibility of change in cither the characters are credited one of the characters. theatre under two queens—
three if you count James I's
reign, for Mr Gorley Putt's
golden age runs from the
Elizabethan 1570s, when the
playhouses began to burgeon,

That they could be updated, and yet the characters are credited with the reactions that people of our own day might feel and others.

Besides the serious or not-soserious drama, there was the
plays vividly to life. I won't say

Characteristic foundation work was
golden age runs from the
plays vividly to life. I won't say

Characteristic foundation work was
golden. Besides the serious or not-soserious drama, there was the
plays vividly to life. I won't say
Characteristic foundation.

The age is notable work was
golden by Tom Robertson, W. S.
Gilbert, Pinero, Grundy, Jones
and others.

Besides the serious or not-soserious drama, there was the
plays vividly to life. I won't say

The playwrights dealt with Series he deals knowledgeably, serin with the "university and readably, with the stage in Series he deals knowledgeably, contemporary pictures.

Theatro Technis is celebrate to the late Jacobean, indeed it makes me long to see them the carly caroline, work of the present buildthird year in the present building. The performance space is well-proportioned, though illevalued on this occasion, and the seating is extremely comfortable. Its repertoire consists mainly of works of particular relevance to the Greek wet is never superficial.

early Caroline, work of rather see a student Women of The Malcon-tent than a student Hamlet or among the writers, Poel Craig Romeo and Juliet.

George Rowell is an acknowline-Barker among the without including Shakespeare, ledged expert on the Victorian Beware Women or The Malcon-tent than a student Hamlet or among the writers, Poel Craig George Rowell is an acknowline-Barker among the without including Shakespeare, ledged expert on the Victorian Beware Women or The Malcon-tent than a student Hamlet or among the writers, Poel Craig George Rowell is an acknowline-Barker among the writers, Poel Craig George Rowell is an acknowline-Barker among the writers, Poel Craig Hamlet or among the writers, Poel Craig George Rowell is an acknowline-Barker among the directors. Mr Rowell covers the tent than a student Hamlet or george Rowell is an acknowline-Barker among the writers, Poel Craig Hamlet or the United Hamlet or george Rowell is an acknowline-Barker among the writers, Poel Craig Hamlet or george Rowell is an acknowline-Barker among the writers, Poel Craig Hamlet or george Rowell is an acknowline-Barker among the writers, Poel Craig Hamlet or george Rowell is an acknowline-Barker among the writers, Poel Craig Hamlet or george Rowell is an acknowline-Barker among the writers, Poel Craig Hamlet or george Rowell is an acknowline-Barker among the writers, Poel Craig Hamlet or george Rowell is an acknowline-Barker among the writers, Poel Craig Hamlet or george Rowell is an acknowline-Barker among the writers, Poel Craig Hamlet or george Rowell is an acknowline-Barker among the writers, Poel Craig Hamlet or george Rowell is an acknowline-Barker among the writers, Poel Craig Hamlet or george Rowell is an acknowline-Barker among the writers, Poel Craig Hamlet or geo tion to the Drama and Theatre and anecdote and some good

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ACROSS 1 Every tenth month a lad

returns (7) treatment we hear (7) (5)

tickle (9)

13 Famous bowler—in his hammock? (5)
15 Fairy-bike, outside in the garden? (9)
18 Pass the best manual cosmetic (4, 5)

Solution to Puzzle No. 4,777

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19 Gay fool I had briefly to follow (5) 21 Bird to devour greedily (5) 5 Cell involving third degree 23 Orchestral transport in a

fashionable movement (9) 9 Those of Peter were a tax 25 Bring in a book of great consequence (9) 10 Six soldiers sniff, because 26 A share out of consideration it's turning green? (9) (5)

11 Bird I left with untimely 27 Gilbert's left shoulder-blade was one of loveliness (7) 12 Alter for a change sub- 28 Communist's audio-receiver sequently (5) 28 Communist's audio-receiver is brittle when very hot (7)

DOWN 1 Sent as an agent placed in the act (7)

2 Compel to commit to memory a melody (9) 3 Abide with Occident in a valley (5) 4 Be fond of fruit and tomato

(45). 5 Swear it could be sulphur in the remedy . . . (5) . . . or herb I study to make ointment (9)

7 He has a whip-round, but it's a fraud (5) 8 Non-resident scholar putting bird in river . . . (7)
14 . . . Cam, but it's unusual

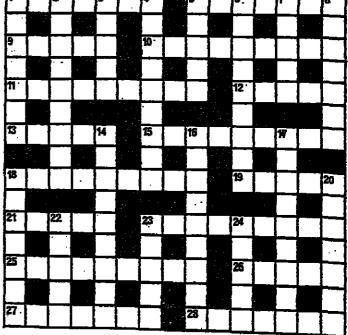
16 One who ponders over spirit in a hill (9) 17 Large town it's said, is on a 20 One who gives fellow a list

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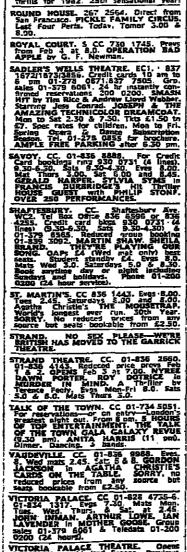
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Friday January 22 1982

A cheerful dilemma

THE FACT that the welcome -and officially encourageddecline in interest rates has been accompanied by the Bank of England's first attempt to temper the City's new enthusiasm for mortgage finance is no accident. The monetary game is being played according to new rules in which the exchange market sets the tone for credit markets. In October, when U.S. interest rates and the dollar were near their peak, this presented the authorities with the unpleasant choice between a rise in rates which might abort the economic recovery, or a fall in sterling which would further stimulate inflation. Exchange rate considerations won the day.

Assistance

Now the dilemma is happily reversed. The strength of sterling in the currency markets makes it possible to converge again with U.S. rates-for it must be remembered that the steep fall in U.S. rates during November was only faintly echoed in the UK. However. easier rates will certainly encourage some parts of domestic loan demand, already running at some £1bn a month. Threadneedle Thoughts in Street readily turn in such circumstances to the head-shaking which constitutes informal credit restraint.

The strength of sterling is not difficult to explain. The ordinary seasonal influence of the endyear public sector financial surplus has been reinforced this year by the reflux of revenue lost in the Civil Service strike. Although the authorities have been providing abundant assistance to the money markets, overnight rates influential in the spot market—have been volatile and occasionally high.

What is more important, the fundamentals are reinforcing these short-term markets influences. The combined effect of moderate wage settlements and a strong cyclical recovery of productivity have been noted abroad: Britain is becoming more competitive, not less. The demand, though it is highly trade union shock troops at likely. Cheaper credit will, Ford and in the coalfields have however, quite certainly invoted for peace. The longer-term spectre of an isolationist Labour government has faded. for the time being at any rate. Government borrowing are encouraging rather than housing is a natural Britain looks a safer home for has fired a warning shot. If we international funds than for are to continue to enjoy the

In the U.S., by contrast, something stronger may be

the subject of open wrangling. the money supply is moving back into its target growth range uncomfortably fast, and Mr Paul Volcker, who has established immense international prestige since 1979, is criticised in Congress and by senior members of Administration.

NCERTAINTY

ever planned.

smothered the jubilation of the European companies which won contracts for

the supply of equipment to the 5,000 km Siberia-West Europe 22s pipeline, one of the most ambitious East-West ventures

This weekend members of

Nato meet in another attempt

to find an agreed policy for trade sanctions on the Soviet

Union following the military crackdown in Poland. Last month, the U.S. imposed its own

sanctions and, among other things, blocked the sale of oil

and gas equipment vital for the pipeline's rapid completion.

The meeting may resolve

some of the uncertainty. It

may make it possible for western governments to give advice to their companies on

whether to go ahead. The failure

of the alliance to agree on what

it wants has meant that the companies have continued to

work in the dark, anxious above

all to meet the terms of the

contracts signed with the Soviet

This gulf between the poli-

ticians and the companies is

part of the reason why the Soviet Union has, so far, been

able to shrug off the U.S. sanc-

tions even though, as the State

Department in Washington says,

they will make the pipeline

give us, others—the Japanese

or the Italians-can supply."

Mr Oleg Maximovich Ivansov of

the Soviet Ministry of Construc-

tion for the Oil and Gas Indus-

try, told an Italian newspaper

Indeed it is almost as if the

U.S. decision - to bring under

licence an expanded list of oil

and gas equipment and to sus-

pend the issue of licences for

t - had never been made.

Machinoimport, the Soviet

state buying agency; now ensconced near Paris after

shutting its Cologne office, has continued to negotiate with

potential suppliers, including Walter Kidde, the Middlesex

subsidiary of the U.S. fire pro-

tection equipment manufac-

turer, which may soon receive

• The Bank of Foreign Trade

in Moscow has remained in

touch with Morgan Grenfell, the

London bankers, nominating

fresh contracts sultable for

financing under a line of credit

All this suggests that Moscow

-at least for this rubber. This

perception may be right, both

at the broad political level and

On the political level, the

pipeline crystallises the run-

ning dispute about the merits

of trade with the Soviet Union.

And the prospect that, as a result of it. Western Europe's

energy dependence on the Soviet Union may increase

dramatises in acute form the debate about whether the West

should merely contain Commun-

ism or seek to make the world a "safer place" by locking the East into the Western trading

feels that it holds all the cards

earlier this mouth.

For example:

an order.

already in place,

somewhat more difficult to

"What the Americans won't

One other influence may prove important. The abolition of exchange controls in late 1979 permitted a major portfolio adjustment by UK savings institutions. Thus in 1980 and the first three-quarters of 1981 pension funds invested nearly a quarter of their cash flow overseas, while unit trusts-though much smaller in total weightinvested all their new funds abroad, and made a further switch of existing assets.

This flow was already abating by the third quarter of 1981, as is shown by the figures published yesterday. Subsequently the Government's willingness to raise interest rates in October, and political changes at home, have allayed last summer's worries about a reimposition of controls. It seems likely that from October and for the foreseeable future this capital item in the balance of payments will be a much smaller proportion of cash flow. A temporary drag on sterl-

For all these reasons, the improved climate for credit markets may have come to stay for some time. This feeling is now so widespread that the markets can shrug off even their worries about a possible renewed rise in U.S. rates. However, if these hopes are fulfilled, will a domestic explosion in credit demand generate a new cloud?

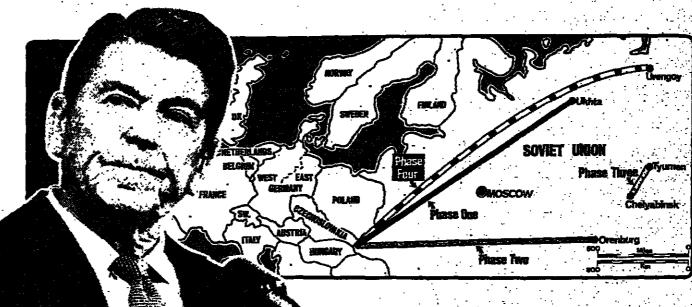
The influence of interest rates on credit demand is a much-debated subject. There is some evidence that weak com-mercial borrowers—like weak international borrowers — a r e actually forced to borrow more as rates rise. It cannot be taken for granted, then, that lower rates will increase total crease demand for personal loans, now a major force for credit growth. The suspicion home loans are being used to purchase tax relief lower oil prices, one, and the Bank of England consequences of sterling revival.

Administration policy is now required.

U.S. PIPELINE SANCTIONS

Hard choices for Europe

By Paul Cheeseright, World Trade Editor



President Reagan takes a jaundiced view of the fourth phase of Soviet pipeline development involving links with Western Europe

that they will not undermine U.S. sanctions. But there is no line is impossible.

This mist of indecision—a collective European failure to know what to do or how to do - works in favour of the Soviet Union and thrusts the immediate responsibility for action on the pipeline back to the companies. This, in turn, leaves the Soviet Union with its head safely beneath the parapet and armed with signed contracts demanding specific

Over the past few days there has been a series of contacts between companies linked with Mannesmann and Creusot Loire, the German and French groups making up the consortium which has the management contract for the northern part of the pipeline, and with Nuovo Pignone, the Italian group with the management contract for the southern part.

One executive engaged in discussions over delivery schedules said that there was general agreement to ahead as far as possible. Some manufacturers have already hastened to assure the Soviet authorities that delivery schedules will be met.

THE TURBINE CONTRACTS

NORTHERN PART OF THE LINE

22 compressor stations through Mannesmann-Creusot Loire consortium

SOUTHERN PART OF THE LINE

Men & Matters

sor stations through Nuovo Pignone

57

GE Frame III

GE Frame Y **GE** Frame

GE Frame Y

The western alliance, as a result, has only been able to contracts—some directly with ever, default on deliveries over each station there is a compression of agree on a broad declaration Machinomeort, some between a certain period would open to sor whose driving force is gas suppliers and both Machinoimport and the management sign of any agreed definition of contractors and others just "undermine." Without this a between suppliers and the man-common position on the pipe-agement contractors — companies have also begun discreetly to calculate the cost of

non-fulfilment. The contracts appears to be fairly standard with, for example, penalties for late But the initial delivery. exposure of companies is probably confined to about 5 per cent of contract values, according to bankers handling financial negotiations.

At the time of contract signing, the Soviet Union would probably make a 5 per cent down payment, followed by another progress payment of 10 per cent at the time of first shipment. In return suppliers would have to post a bank-guaranteed performance bond of around 5 per cent, which could be called in if performance failed.

Financial exposure starts at the time of down payment, but one supplier noted that contracts allow for the change of status in export licences and they specify that the supplier needs the licence to gain the down payment.

On this basis a supplier supplier would not necessarily be in default for failing to deliver because of changes in

Manufacturer

Nuovo Pignone

of turbines

AEG-Kanis

a certain period would open to sor whose driving force is gas the Soviet authorities the option turbine engines. These turbines f cancelling the contract. are being supplied by John This would mean forfeiture Brown of Edinburgh, AEGof cancelling the contract.

Nuovo Pignone.

Each of these companies is a

meaning that while they have

turbines, they have to import

In its most visible blow

for their export will not be

granted. At the same time it has made a claim to control

parts which have already been

exported to the European manu-

facturers but which have not yet

begun work on—and can com-

plete six-of the 21 turbines it

is supplying, and is prepared to assemble the remaining 15.

except for the parts necessary

from the U.S. in the hope that

sanctions will be lifted by the

time delivery is due. Nuovo

Pignone has enough parts to complete turbines for about a

year. But AEG-Kanis, already

in financial difficulty, has said

that the U.S. move will have

Contacts with the Govern-

ment and other contractors on

the pipeline began imme-

diately to assess the impact of the U.S. moves and the long-

term risk to the deal.

General Electric

John Brown has already

gone to the Soviet Union.

of the performance bond and leave companies with halffinished stocks to finance. Thus manufacturing associate of General Electric of the U.S., many of the suppliers are more concerned to have the political uncertainty resolved, so that a licence to manufacture the they can settle sales strategy and decide the level of commitfrom GE in the U.S. the moving ment to sub-contractors, than parts of the turbine. to re-read the force majeure clauses in their contracts. against the pipeline, the U.S. has placed these parts under licence and said that licences

The position of the management contractors is different that of equipment suppliers. Mannesmann has said that it is not directly affected by the U.S. embargo and that it does not face penalty clauses when sub-contractors do not meet their contracts or come up with replacement solutions. Its own contract is on a cost and per cent fee basis.

Nuovo Pignone's situation is different again because it is both management contractor and equipment supplier of turbines and compressors.

The management contractors however, face the immediate problem of having to supervise the construction of a pipeline which could be without the machinery necessary to move the gas along it.

On present plans, the pipeline a serious impact this year, would have 41 compressor Delivery dates for the turbines stations, each of which pushes are spread over 1982-83.

JOHN BROWN ENGINEER-

ING, at Clydebank to the west

of Glasgow, could not just

turn off its contract when It heard of the U.S. sanctions against the Soviet Union. Too

much work was aiready under

Frame-Five turbines in stock

which only required some adaptation to be ready as a first batch delivery for the

Work was already under

way on the other 15 machines. Orders had been placed with

sub-contractors to supply com-

ponents such as casings and

starting engines.

The company had six

JOHN BROWN WORKS ON

The only manufacturer out-side the U.S. with a licence from

GE to make the parts now barred from U.S. esport in Aisthom-Atlantique of France. Although Aisthom is adapting its factories to produce the fort of equipment which will be used on the pipeline, it could only meet a major new demand after a major expansion of its Belfort plant. Alathom's movid-lingues in make the investment effectively rules it out as th Kanis of West Germany and alternative supplier.

Supplier in content with the Soviet Union have noted the anxiety of Moscow to complete the pipeline so that additional gas export earnings will start

coming through in 1864. It is this sense of urgency which weakens Moscow's bands in dealing with the west suggest-

ing that although it has the

The original schedule for the

The original schedule for the pipeline can only be met with a regular flow of parts from GE in the U.S. Moscow's difficulty is that GE has apparently started winding down production of the authine parts since

the sanctions order was posted and, beyond that, there is no

alternative source immediately

cands for the corrent rabbe

does not necessarily have the

Theoretically, it might be possible to have copies made or to adapt the basic GE machines, but this would take time and raise licensing prob-lems. "This isn't like substitu-ting a church for an auto that you suddenly can't get from one country," AEG-Kanis observed. Available manufacturers enside the U.S. for other types of turbines suitable for the pine-line are few. Should Massow seek to discurrent the U. sanctions by changing its deals plans, its deadline would evap-orate and it might run into When Rolls-Royce tendered

to supply the RB-211 tustine for the papelins, it offered the Soviet Union an alternative configuration of compress stations. But Rolls-Royce does 75 per cent of its turbine busiin the U.S. It seems un likely that it would nisk fullscale U.S. disapproval, even if te UK Government permitted it, and jeopardise its staple siness for such a Soviet con-

Brown Boveri of Germany and Switzerland also bid for the initial contract, but it would probably take the group nine months to modify its existing surbine technology before starting production. However, the Swiss part of Brown Bourt would be immune from charges of undermasting sauctions be cause Switzerland is not a member of Nato. But neither Rolls-Royce nor Brown Boveri nave contacted, or been contacted by the Soviet Union.

John Brown was confident The day the Soviet Union approaches another turbine manufacturer, it will be apparinitially that it could continue, despite the threat to its supply of rotor blades from ent that Moscow believes that U.S. sanctions are biting seri-The first turbines of the remaining 15 outstanding are ously. The sanctions policy does not prevent the pipeline from being built, the State Depart-ment admowledged. "Bar it not due for delivery under the contract until February, 1983, long enough, the com-pany hopes, for the samelions to have been lifted again. could have a complicating effect."

Mark Meredith Tory Dodsworth, Kevin Done, Mer

Arms to Taiwan: a U.S. gesture

WASHINGTON made the right Talwan. decision last week over Deng weaponry for Taiwan when it after months of wrangling between the pro-Taiwan lobby and the State Department to provide further supplies of the F5E aircraft defence matters must be seen instead of the more sophisticated F5G or the advanced F16. This is quite enough for Taiwan's needs, the administration finally conceded.

The Chinese may still hope to get Washington finally to end sales by 1985, but Peking seems to have acepted the decision for now. The American refusal to sell advanced fighters should have the crucial effect of strengthening the position of China's pragmatic strong man Deng Xiaoping, on whom sta-bility and progress in China mainly depend, and shoring up the foundations of the Sino-U.S. friendship. Both sides may now be able to build on it.

This past year has been steadily cooling relations and increasing alarm in Peking at the prospect of arms sales to The Chinese even implied a threat to withdraw their ambassador from Washing-But when the American decision was announced, the Chinese protest note stressed more that it had been made without consultation, than that the decision was unacceptable. While Deng must have hoped that the U.S. would be persuaded not to supply arms at all, at least the decision meant that the relationship with Washington in which so much of his political capital is invested, can survive.

Deng has been under increas-

ing pressure all this year from his hard-line opposition in China. His economic policies ran into problems with overspending and inflation, while the greater cultural and personal freedoms he encouraged in 1978

were cut back. The tough Communists in the leadership who oppose his relative liberalism would have been glad of the chance to attack him if his pro-Washington policy escaped a nasty accident, but had been unable to moderate Peking has learned to hedge President Reagan's support of its beta.

Deng's political capital is also invested in peaceful reunification with Taiwan. The olive branch Peking offered to the island last October, which included much autonomy even in as his initiative. If the U.S. shored up Taiwan to the point where it need not even contem plate reunification, Deng would be seen in China to have failed to satisfy a profound popular aspiration.

Though the question of future U.S. arms sales to Taiwan may continue to mag at relations between Peking and Washington, they should now be able to resume their former momentum. While China, as vice-premier Li Xiannian said recently, would resume border talks with the Soviet Union if it saw a chance of real movement, a true rapprochement with the Soviet Union is as umikely as ever.

Atmosphere

The outstanding item on the Sino-U.S. agenda is now the visit to the U.S. of the Chinese deputy chief of staff, Lin Huaqing, indefinitely postponed last August. The Chinese, fearing the Reagan decision on Talwan might go against them, did not want to against them, did not want to pursue the strategic relationship which would be implied if China became a customer for American arms. Whatever had happened, the Chinese would probably have continued dependent on the U.S. for commodities such as wheat and cotton, but now American technology sales may benefit.

Even in a better atmosphere, the Chinese are not likely to retrace their foreign policy steps of the past few months. Peking has increasingly turned to picking up its old role as leader in the Third World, playing an important part at the Cancun summit in October and blocking the re-election of Dr Kurt Waldheim as UN secretary-general in favour of a Third World candidate. The Sino-U.S. relationship has

Express baron There would appear to be a

fundamental difference of opinion between the late Oscar Wilde and the men at the top of the Trafalgar House group. Wilde's views on the relative merits of being talked about and not being talked about are well enough known. But over an Trafalgar, they are so keen on a quiet life that they are even prepared to de-merge a fair chunk of the empire in order to achieve it.

That, at least, is part of the reason for the spinning off of Express Newspapers and Morgan Grampian, according to Trafalgar's chief executive Lord Matthews. Speaking after yesterday's extraordinary meeting, he said that he was fed up with the "constant irritant of gossip columnists"—who have, indeed, got a fair bit of lineage out of Express personnel lately. It wasn't that he minded being written about himself, he explained—unless, of course, his integrity were questioned—but constant references to friends and colleagues was too much. The other de-merger sumulant was Fleet Street's version of the incest taboo. Matthews

recalled that Trollope and Colls, Trafalgar's construction com-pany, "used to do all the buildpany, "used to do all we ing in Fleet Street until we We bought the Express. . . . were just about to sign for the development of the Telegraph offices next door, but the Express deal killed at stone dead. Not a sniff."

As a man with his roots in the building trade, Matthews is used to wearing hard hats including, for the time being, that of a director of the embattled Associated Communications signed over to Robert Holmes à Court last week his precious

"deterioration" at ACC for about 18 months, but he still had a lot of respect for the ousted Lord Grade. "He can hardly put two words together," said Matthews of his fellow-peer, "but he could sell you anything."

Mandarin peals

With only 39 shopping days left to March 9, however, the Budget preliminaries are already keeping some lights burning late at the Treasury. The traindrivers' strikes. I am assured, are not being allowed to disrupt the annual rites. Those who cannot get home at night are being pro-vided with folding beds in their

"It is possible to sleep in the Treasury," an inmate tells me. "But it tends to be for short snatches. Big Ben wakes you every 15 minutes." The Treasury canteen is not being kept open for suppers and breakfasts. Eating, as well as sleeping, there is apparently considered above and the call of duty.

Shell shocked

A heartfelt sigh of relief from Lambeth at the passing of yet another shock-horror dangerthe loss of the London borough's biggest employer and second-largest ratepayer,

When Shell moved from its multitudinous City offices into the Shell Centre on the Lambeth bank of the Thames in 1962, it was the largest office block in the UK. Some 4,600 people now work there. The Centre also provides

Corporation. He will be resign- Lambeth with 9.3 per cent of ing "as soon as I can," having its total non-domestic rate income. Shell's rate bill this year was a fraction under £6m with holding of almost 9 per cent the GLC supplement in the of the ACC voting shares, autumnt adding another Matthews said he had seen £519,000.



agreed to appear if he can sing 'I did it my way."

Only GLC's County Hall-employing 4,000 but paying £7.2m in rates—ranks so high in Lambeth's ledgers. Imagine the shudder that went through Ted Knight's town hall then when it heard the Royal Dutch Shell group was Centre's operations to its other main offices in The Hague. Fortunately, things are being

left as they are for now.

Knight's rates are apparently not an issue. The scale of Shell's international activity is such that the rates and local income tax it pays in various parts of world are not regarded as being of strategic importance.
As for local politics, Shell's policy, I gather, is to keep its "head well down behind the parapets."

Paper weight

The Treasury clearly does not spend all its time poring over macro-economic issues. Mandarins, in their methodical way.

have been puzzling lately over a more prosaic problem and have finally come up with an official answer-Every type-written sheet of Treasury paper costs the Government up to £16 to produce.

According to an internal memo posted on Treasury noticeboards, officials have cal-culated the break-down of production costs as follows:

£5-£10 of a desk officer's time to write or dictate the piece. £3 of a secretary's time to

type and check it.

£1 of a secretary's and cherk's
time to photocopy, distribute and file it; and, perhaps—only "perhaps," mind—f2 for "the time taken by the recipients to read, consider and dispose of

еаси сору." The memo, with quiet pride, acknowledges the "enormous" amount of paper the Treasury uses, and discloses the superying information that it makes 10.5m photocopies every year—about 20,000 for each civil

servant in its empire.
"Most"—only "most"—"of this paper is necessary," the memo argues defensively. "The precision imposed by writing

things down is necessary in Treasury work."

The notice asks officials to consider whether they really need to receive all the documents they get, and if not, whether they should take them-selves off the distribution list. And, it warns darkly, "when they receive a copy of the document they do not need they should NOT take the easy course of putting it in the waste paper basket."

Joint venture

Overheard in a Lambeth butcher's: "Three pork chops please, and could you make them lean?" "Certainly, love. Which way?"

Observer



POLITICS TODAY

The unions: Labour's last resort

By Malcolm Rutherford

THE POLITICAL news of the leaders is so wide as to rule THE POLITICAL news of the week is obviously the miners. Had they voted in favour of a strike, the short-term political outlook in Britain would have been quite different. Now the Government at least has a respite: no war this year.

Yet the unions hold the stage in other ways too. They have become the biggest imponderable on the political scene. No one knows which way they will turn.

I leaders is so wide as to rule that out. But what they are trying to do is to persuade the party to pull itself together, end the fratricide and concentrate on winning victory at the politic. The unions have one very good card, namely money. So far, the truce of Bishops Stortford seems to be holding. Mr Tony Benn has gone quiet able on the political scene. No one knows which way they will that out. But what they are trying to do is to persuade the party to pull itself together, end the fratricide and concentrate on winning victory at the very good card, namely money. So far, the truce of Bishops and has not even risen to Mr Michael Foot's criticisms of him in last week's Observer. But

Here, for instance, is Mr David Basnett, the General Secretary of the General and Municipal Workers: Union, writing in Tribune last week: "If the Labour Party is not either the government or the only creditable alternative, then this profoundly affects." chances? To answer that question it is necessary to face the wider issue of why the Labour Party is in such a mess. There seem to me to be several reasons. The first is the relative failure of the Labour govern-ments of the 1960s and 1970s, then this profoundly affects the attitude of trade unions towards it and the relationship at least as seen by the party's between the political and indus-

in last week's Observer. But

what are the longer-term

At the same time, the party leadership did not take very seriously the party organisa-Mr Bassett was commenting on the meeting between unionists and Labour Party Sir Harold Wilson's reaction to some conference resolutions was to ignore them.

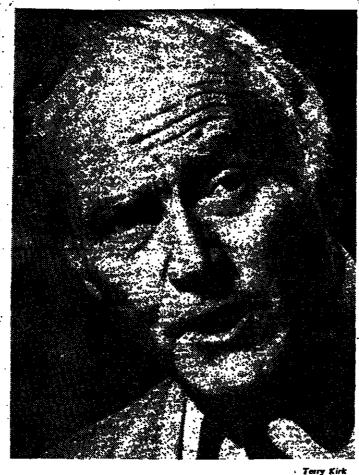
The consequent distillusion led the far Left to seek changes in the party constitution with the aim of giving the Left more say, the three chosen issues being the mandatory re-selection of MPs, the control of the party manifesto and the election of the leader. (This process is vividly documented in a book published this week. The Battle for the Labour Party.*)

The struggle over the constitution fostered splits as it became clear that the real purpose of the changes pursued was to produce a much more radical (some would say reactionary) class-based party.

The splits and the venom which attended them, turned away middle-of-the-road supporters.

Social change made the need for the old Labour Party less is a pretty uncompromising message. The union leaders are saying that they will not go evident. The Labour governments of 1945-51 were supported by an alliance of working class interests and middle class professionals with a social conscience. It is doubtful how far that alliance can be reestablished in the future. In 1979, at least, Labour lost

opposition, the marriage is the general election partly because it had become too closely at this stage—trying to lay identified with the unions which down party policy. As Mr had in turn become unpopular, Basnett admits, the political sometimes even among their spread of views among union own members. identified with the unions which had in turn become unpopular,



Mr David Basnett: wide spread of political views

None of those developments was inevitable. If there had been no Vietnam war in the 1960s, some of the potential young left-wing activists might never have turned against the leadership with such fury.

Again, if the party leader-ship had woken up earlier to what those who sought changes in the constitution were really after, much of the recent viciousness might have been avoided.

Not least, if Mr Callaghan had gone for an 8 rather than a 5 per cent pay norm in 1978-1979 or had called the general election earlier, there might have been no winter of dis-

One could go on. Those are the "ifs" of recent Labour Party history. But the point is that that is the way it turned out. That is what we are stuck

universities and polytechnics and which, in the light of its knowledge of that work, has

initiated new studies often of

which, at the least valuation, have helped those working out-

side academic life, as well as

within it, to appreciate more

clearly the complexities of problems on which action is

A further advantage of the

Council is that it can link the

now too few opportunities for graduate students with teachers

and departments where good research and advanced study is

in progress. The splitting of the functions of the Council, which

you propose, would set back the vey progress for which you

Social Science Research Council.

declining craft

Chairman, Research Board.

Lordon School of Economics,

Houghton Street, WC2.

24, St George's Crescent, Worsley, Manchester.

Regional influence

on merger decisions

From Mr D. R. F. Simpson.

· Sir.—Others may feel aggrieved that the Monopolies

"Scottish argument" in its judg-

ment on the Royal Bank of Scot-

land case. But you, sir, should

dent decision centres in the regions is a factor which needs

to be given more weight in mer-

100, Montrose Street, Glasgow.

gers policy are its lack of consistency stemming from the

vagueness of the criteria in the

Fair Trading Act, and the

[Our main criticisms of mer-

gers policy."

D. R. F. Simpson.

The Fraser of Allander

University of Strathclyde.

In your editorial of October

mmission found merit in the

seen to be required.

Michael Wise.

inter-disciplinary nature

with. And there is now also a Social Democratic Party in potential alliance with the Liberals threatening to become if not the first, then at least the second grouping in British poli-

The unions are now the Labour Party's last resort. True, there is a possibility that under the British electoral system and with a three-horse race, Labour could win a general election outright with something like 29 per cent of the vote. Maybe it is the realisation of that which has made Mr Benn go quiet.

But it would not be a very desirable position in which to form a government, knowing that around 70 per cent of the electorate had voted against you. The Labour leadership and the unions want something more.

Callaghan before him, that if their union's block vote at the only the political and industrial party conference, and how they wings of the party could get together, they would be an un-stoppable combination, especi-ally at a time of very high went about it.

unemployment—such as now, and probably the next two years. It would have to be more than a declaration of intent. There would need to be, as Mr Foot has said many times, a detailed agreement on economic policy, including incomes policy. along with them. to go into effect immediately Labour took office.

I think that is right. It is the only way of Labour regaining power next time, except by the peculiarities of the electoral system. Certainly it is the only way of regaining power and knowing what to do with it.

The problem is that the evi-

dence of the past few years is against the agreement being reached. Some of the unions have always fought against incomes policy, whether of a Labour or a Tory government. Even on the reading that they have become the most powerful political force in the land by contributing to bringing down the Wilson, Heath and Callaghan governments—over union reform, miners' pay and incomes policy respectively—it does not follow that their power will or can be deployed con-

There is the further point that at successive Labour Party Conferences the unions have made themselves look ridiculous. At Blackpool in 1978 the engineering workers were sup-posed to vote in favour of mandatory re-selection but failed to understand the procedure, so

the motion was defeated. In the election for the deputy leadership last year, the Transport and General Workers' ship, the majority of whom appeared to support Mr Denis Healey. The union's delegation at the conference then gave its vote to Mr John Silkin in the first ballot and to Mr Benn in the run-off.

Battle for the Labour Party des- built on democratic founda-cribe how those who wanted tions." changes in the party's constitution realised that the only way to get it was to win over union Fontana Paperbe Mr Foot believes, like Mr members capable of influencing Kogan Page £6.95.

The constituency Labour Parties, which is basically where the demand for change came from, have less than 10 per cent of the 7m votes. Almost all the rest belong to the unions. Those who have been seeking coustitutional changes have so far done a pretty good job in persuading union delegations to go

Yet it is doubtful whether that kind of change is what the bulk of trade union members or the majority of their leaders really want. Equally, if they would prefer a credible alliance with the political leadership of the party—as Mr Basnett sug-gests—there is very little time left to set it in train.

There is, after all, an alternative reading. It is that the trade unions as we have known them, especially in the old industries, are becoming a thing of the past. Not all of their members voted Labour in the first place, or at all. Now more and more will vote Tory or SDP. The unions will continue to

Very little time left to set alliance in train

exist, of course, but not allied to any political party.

As for Mr Foot, he does seem to be fighting. His article the Observer contained the following telking quote from R. H. Tawney: "Exponents of our brand of socialism must Union consulted its member- face the fact that, if the public. and particularly the workingclass public, is confronted with the choice between capitalist democracy, with all its nau-seous insincerities, and un-democratic socialism, it will choose the former all the time. When it comes to politics, the "We must make it clear beunions have also shown a cer- youd the possibility of doubt tain guilibility. Some of the that the Socialist Common most interesting passages in The wealth which we preach will be

> *By David and Maurice Kogan. Fontana Paperbacks £1.75,

Lombard

Bonn's dilemma over jobs

By Jonathan Carr

about the man who said he had written to the Government outining his idea for an aircraft which would travel at 1m mph and cost only 1p a year to run. "Of course," he reflected," as his listeners waited eagerly for more details "it is only in the idea stage at present."

So it is with West Germany's so-called "employment programme." Despite hours of talks between Government, trade unions and employers, despite interminable television interviews with politicians, despite expenditure of more words on the topic in the Press than can be contained in the complete works of Goethe, "the programme" remains just be-youd the point of definition an ever-beckoning will-o'-the-

Everyone is agreed that the current number of unemployed
—about 1.9m—is intolerably high and that something should be done about it. Almost everyone is agreed that a new programme should not be like the old ones-that succession of pump-priming measures taken by the state since 1974 which cost tens of billions of D-marks and which resulted in, well, the situation which exists. (It is arguable of course that the jobless total would now be even higher—say at a French or even British level-had those steps not been taken. Who knows?) Nor is there any lack of pro-

jects which would—presumably -not only employ people but make West Germany a more pleasant and secure place to live—cleaning up rivers, renovating city centres, promoting energy savings to reduce oilimport dependence, and so on. The problem is—and this is really why the programme remains "in the idea stage" that there is no money.

Both the trade unions - who years to help cut the number of grammes will largely pay for

PERHAPS you recall the joke cutting the jobless bill. How one would like to be sure that this were true! Because if it is not, the state will land itself even more deeply in debt than it is now—a risk one must think more than twice about running.

There are really only three ways in which a new employment programme can be financed. One is to re-vamp the federal budget so that more investment expenditure can be made available at the expense of "consumption expenditure" (which includes social security). The scope for this under the present Liberal-Social Democrat coalition is very small, and might not be much bigger for a government of Christian democrats either, despite their claims to the contrary while in opposition.

Then the government could raise taxes - which is not usually seen as an ideal way of helping pull an economy out of recession. Or, finally, it could borrow more — thus increasing pressure on the capital market, tending to keep interest rates higher than they would other-wise be and making entrepreneurs still less keen to invest than they already are. The upshot of that would be - alas -a further rise in unemploy-

Does all that mean there will be no "employment pro-gramme" after all? No, it does not, because the situation cannot be reduced to a cosy set of economic arguments alone. If the government is not seen to be trying to do something about unemployment, then it will be very hard for trade union leaders to call for "sacrifices" from their members in the current wages round. And if moderate wage settlements are not agreed, then one result will be - a rise in unemployment. have proposed a DM 50bn It will therefore be a matter for indiative over the next five surprise if the will o the wisp does not gain a tangible form the unemployed — and the over the next week or two ruling Social Democrat Party worth, say, between DM 5bn (SPD), would dispute this, They and DM 10bn and financed insist that employment prothrough a mix of measures which at present seem almost themselves in the medium term impossible or, on their own by generating more tax revenue terms, highly undesirable. (shades of Reaganomics) and That's politics.

reightlin

Letters to the Editor

The value of social science research

trial wings of the movement could be weakened."

leaders in Bishops Stortford early this menth, of which he

was a key organiser. Other

senior unionists have since said

much the same thing, most notably on the Granada TV pro-

gramme World in Action last Monday which produced an opinion poll suggesting that 56

per cent of union members no

longer think that their union

should be affiliated to the

What it comes down to

on indefinitely backing a loser. They are giving the Labour Party one last chance. If the

party not only fails to win the

next general election, but also

fails to become the main

Labour Party.

56 per cent no

union affiliation

longer back

London School of Economics. Sir.—Your view of the socialsciences (editorial, January 15). as still conforming to "the medieval mould" must read strangely to social scientists who have participated in the development of their disciplines in the post-1945 period and have witnessed a very considerable heightening of the rigour which you urge as the essential key. Nor can I believe that a key. Nor can I believe to of social and economic fully satisfactory route to of social and economic fully satisfactory route to of social and economic fully satisfactory value practically as well as est primarily in an ivory tower emphasising the abstract as against the so-called "practi-cal." Such work will un-doubtedly prove highly valuable and will continue to be funded by the Council but progress must also involve delving into the problems provided by the complex and changing world around us. Work supported by the Council in its relatively short life has already provided us with a number of significant keys to the understanding of social and economic change.

And why should you be so

Allegations about SDP negotiations

From Mr Mike Thomas, MP Sir, On January 14 you published a report stating that, Mr David Steel, the Liberal Leader, has written to Mr Bill Rodgers, the SDP Leader in charge of negotiations over seats, complaining bitterly about the behaviour of Mr Michael Thomas."

The article went on to say that it was "implicit" in the letter that the Liberals wished me to be sacked from the SDP Negotiating Team, and to make number of allegations relating to the Hillhead by-election and the SDP/Liberal negotiations. I was astonished to read this not least because the allegations made were wholly without foundation. My

wishout foundation. My astonishment increased when I learned from Mr Rodgers, that 25,000 miles using BR. he had received no letter from Mr Steel, and has had no such sentiments econessed to him. I have now been able to con-firm with Mr Steel (who was in the United States at the time Peter Parker's harassed minions

In the circumstances, I can

only believe that your reporter in the dark. If the rail unions does not wish the SDP/Liberal of management communication failure to give primary empha-Alliance well-however, as two skill, it is little wonder that the was misled by someone who enjoy

surprised that "despite a dominance of academics among its much to be said in favour of members," the Council "has become increasingly concerned to be identified with studies which can be represented as practical"? Do you really think that academics still live in a world of the closter? Think back a little to days long before the establishment of the Council when academics established concepts, introduced ideas, and instituted methods of social and economic inquiry scientifically...

Your comments also distort the reasons given by the Council for the change in its form of organisation. Reference to its paper. "A change in struc-ture for changing circum-stance," makes clear its continued commitment to further the progress of the social science disciplines as well as to promote work that will increase understanding of issues of public importance. The two areas of work which you attempt to distinguish are not

telephone calls—to Mr Steel's office and to myself—would have exposed this fabrication, I am very disappointed that the Financial Times should have published such a damaging story. I should be grateful if you would publish this letter to set the record straight. Mike Thomas. House of Commons.

Where the fault lies in rail failure From the Executive Secretary,

Federation of Petroleum Suppliers . Sir.—Being visually handi-capped, my long distance travelling must be done, foute de mieux, the "Fail Way," as it

does not quite say over the entrance to Manchester Piccadilly station. In the past 15 months I have covered some One accepts that there will be failures in an organisation as complex as BR, and one is grateful for the countesy and who have face-to-face contact the fightious letter was sup who have face-to-face connect posed to have freen sent), that with the public. One feels, howno such letter was written let ever, that in the higher echelons alone dispactized. The only there is considerable mediocrity. letter he can recall was written From my own local station, some days earlier and referred trains regularly run early, with only to a specific problem with no apparent remedial action by Hillhead which has since been management. And when there resolved between us.

management. And when there are delays, BR can usually be relied on to keep its passengers the same quality

Mickey Mouse on London Transport From Mr E. A. Kaliavan. promoted good research in our

Sir.—The Germans call it

"Mickey Maus Rechnen"— Mickey House Costing. London Transport fares are now to double, to political cheers or long faces—according to party. Almost everybody's pocket is affected one way or anotherbut the cheers are Mickey Mouse cheers:

I pay £20,000 a year rates, so it seems eccentric that I have a long face. In March my staff will face double transport costs. The Supplementary Rate I now no longer need to pay will have to be diverted to salary rises to cover the extra cost of staff travel plus a further 50 per cent to cover extra PAYE and NI The alternative is to squeeze London wages and see some of the staff cease commuting and settle for lower pay locally. Most London businesses will be worse off through this effect.

They may also be worse off in another way. Fewer people will pay exerbitant fares to come into London for shopping. The loss of income will have a domino effectmore businesses will die.

Aslef — a declining craft union with problems enough already—becomes obstreperous. The recent 11 per cent rise in In addition to blaming the usage of buses and tubes since fares were reduced, - has also weather, union militancy, and blinkered government, Sir Peter reduced the real cost of each journey to the benefit of London's economy. Doubling of could profitably spend time on toning up management performprices will reverse the trend and have a shock effect; travel will dry up, increasing the real cost of journeys.

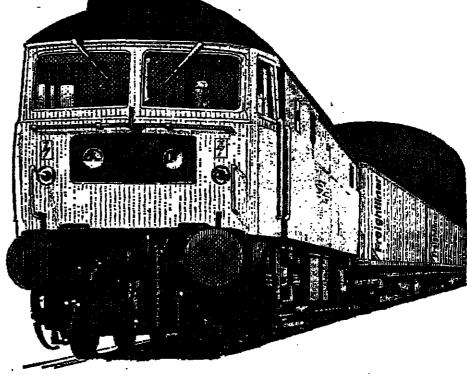
Mickey Mouse working in

London would, when surveying his higher Rate Bill, not recognise the real losers from higher rates: the property owners. The rise in rates would eventually have depressed rents for businesses can only afford a certain level of fixed overheads. Depressed rents would have reduced capital values. Conversely, those now about to benefit are the Inland Revenue, the property market, and non-commuters. The rest us who work or live in London are in dead trouble.

It is easy to see the point of the Bromley rate payer who doesn't use London Transport and is now better off but surely this is a small minority. Could the problem not be solved by levying differential rates reducing with distance. I would still prefer our business to pay increased rates to subsidise staff travel free of income taxes; and to subsidise customer journeys so they can afford to

E. A. Kalfayan. Managing Director, Letterstream 45 Conduit Street, WL

"Assomeresources diminish newopportunitiesemerge"



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Delivering what customers want.

Turnbull

Scott loss

midway

£6.68m.

ordinary items.

further during shipowner and engineer Turnbuil Scott Held-ings first haif ended September 30 1981 to bring about taxable losses of £587,000 against profits of £380,000 last time. Turnover

was £7.02m compared with

is being maintained at 3p net per £1 share. Last year a total of 6p

was paid, when the company suffered pre-fax losses of £270,000.

Losses per share for the six months are given as 60.23p (34.76p earnings) before extra-

Losses before tax were struck

after interest of £220,000 (£123,000) and depreciation of

£471,000 (£568,000). Tax took £13,000 (same) leaving attribut-able losses of £600,000 (£655,000)

profits). Last time there was also a minority debit of £1.000 and an

ordinary shareholders of the Independent Investment Company

However the interim dividend

Lovell tops £3m and raises dividend by 1p

PRE-TAX PROFITS of Y. J. Lovell (Holdings) advanced from £2.88m to £3.19m for the year ended September 30. 1981—an ended September 30. 1981—an increase of 11 per cent—and with slated earnings per 25p share emerging at 42.6p, compared with 38.7p, the dividend is being stepped up by 1p to 8p net by a higher final of 5.75p.

Construction and related activities contributed taxable profits of £3.63m, against £2.66m, but the timber division fell into

but the timber division fell into the red, incurring a deficit of £326,000 compared with carnings of £237,000. Losses of the U.S. associates rose from £25,000 to

The directors say good performances from construction and residential and commercial development contributed in pushing group profits overall to a record. Rental income was also

Timber and plant companies disappointed however, being particularly affected by the

continuing recession.

The directors say that given the current national economic situation it is more than hazardous to predict future prospects but they are of the opinion that the group is well placed to take full advantage of the opportunities that will present themselves in 1982.

Tax for the year under review took 5251,000 (2201,000) and

After briefly touching on another strong day in the financial markets where the Bank of England lowered its official dealing rates for the fourth day running Lex moves on to review the Department of Trade's memorandum on the policing of licensed dealers which follows the collapse of Norton Warburg. Lex then looks at the position of the bid for Thos. W. Ward from RTZ and then considers the latest set of figures from conglomerate BET. Other major news items of the day include the Inland Revenue's go-ahead for the Trafaigar House demerger of its newspaper interests. The Stock Exchange announced vesterday that it is going to investigate dealings in the Royal Bank of Sectland shares prior to Press reports of the monopolies commission's verdict

came through at £2.81m (£2.68m). out of which ordinary dividend payments absorb £551,000 (£481.000).

After CCA adjustments the pre-tax figure was £2.97m (£2.48m) and earnings per share 39.3p (32.9p),

comment

Problems in timber and plant hire were predictable enough and the downturn in timber alone has cost Y. J. Lovell some £560,000. The deficit on plant hire is lumped together with the mainstream construction activities but the upturn here after extraordinary debits of is nevertheless a highly \$134,000 (nii) to provide for encouraging 36 per cent. The costs and liabilities expected to shares responded with a 10p ownership arise on cessation of certain rise to 266p and now stand a appreciably.

activities, the available profit mere point below the 1981-82 came through at £2.81m (£2.68m), peak. The profit improvement, albeit clipped back to 11 per cent at the pre-tax level after timber and U.S. associate losses, stems from a £320,000 rise in the net rent roll to £1m and a near 25 per cent lift in the volume of partnership housing per cent improvement on residential development units. At the very least Lovell expects to hold the level of completions this year. The shares are backed by assets of 400p, and are probably fully valued at present given that the property sector discount is about 34 per cent. The yield is 4.4 per cent and the fully taxed p/e is 11.7. Yet the track record is good and share

Louis Newmark falls to £0.6m

profits of Louis Newmark are down from £1.17m to £625,000 for the half year to September 26 1981. Turnover is, however, only slightly less at £14.02m compared with £14.69m pre-

The directors say the results £609.000 are in line with the forecast made in the year end report that the first six months would show results similar to the second half held at 4.0p per 25p share. The of last year. Pre-tax profits for that period were £639,000. They say the recent results were reached despite continuing reorganisation costs to meet changing trading conditions.

The company manufactures Louis Newmark made the mis-and sells electronic and pre-take last August of predicting cision engineered equipment as well as distributing watches and specialist equipment for textile and footwear industries. The unturn in business re-

ferred to by the chairman in the chairms division which imports compared with 4.27p. Stated and distributes watches and earnings per 20p share were 4.59p been slow to materialise say the directors, so that profits for the footwar industry. The shares up from £98,379 to £110,003.

present level of business are likely to be similar to those for the first six months.

the first six months.

The pre-tax surplus was struck after depreciation of \$312,000 (£258,000). Tax took less at £325.000 compared with £609.000 previously, leaving after-tax profits of £300,000 (£256,000).

The net interim dividend is company has paid a Tp final for the last two years. Earnings per share were down at 9.6p (18.4p).

comment

take last August of predicting maintained earnings for the year. In the event, the only thing that has been maintained has been the slump in consumer spending. Toubles continue in the mer-

down 35p on the day. Even so they stand on a prospective p/e of more than 14. This rating gains a little support from the iii;elihood of a maintained final. Net assets per share of 456p also back up Newmark's price, but shareholders may grow impatient when they see earnings this year drop to £1.2m which was last achieved in 1975 fin the group's sales were half what they are today.

LEDA INV.

£228,790 in the year to December 31 1981. Gross revenue rose Nom-£381,795 to £414,341, The second interim dividend is raised from 2.8p to 3.01p for

Net profit of Leda Investment Trust improved from £215,687 to

an improved net total of 4.48p

BET behind in first half

share of profits and lower interest, the taxable surplus of the British Electric Traction Company, industrial holding con-cern, finished behind at £27.66m for the six months ended September 30 1981, compared with £28.49m previously.

The interim dividend is maintained, however, at 1.863p net per 25p deferred share—last year's final was 5.709p from a pre-tax figure of £60.79m.

In their annual statement, the directors were unable to make a forecast of the likely results for the current year. They said that a lot of work had been done by the subsidiaries and associates to adapt to trading conditions and nowhere in the group was the future viewed with apprehension.

First-half turnover expanded from £444.08m to £483.66m, with associates contributing £70.07m (£61.67m). Profits from this source rose by £2.15m to £6.88m.

Also above the line, there was investment income. little changed at £4.43m, against £4.29m, and interest payable, well down at £9.02m (£12.2m).

Tax charge for the six months was higher at £14.07m (£13.69m), mainly because of certain overseas losses which cannot be set off against profits elsewhere, the

The attributable balance came through at £10.78m, compared with £11.45m, after minority interests of £3.21m (£3.11m), and an extraordinary credit this time amounting to £389,000, against a £243,000 debit. Earnings per share are given as down 0.9p at 6.9p.

Smallshaw downturn

The directors of R. Smallshaw (Knitwear) failed to achieve their hoped for increase in profits for the year ended September 30 1981. Instead, taxable profits are down from £172,417

Turnover of this manufacturer of knilled outerwear was up slightly at £5.81m compared with £4.95m.

The proposed final dividend unchanged at 1.25p net per 10p share for a total of 1.75p (same). Dividend payments again took £31,250, while earnings per share are stated as 5.376p (6.157p).

Profit after tax slipped from £153,931 to £134,404 after tax of £18,750 (£18,486). On a CCA pre-tax profits were

Second-half boost for Assd. Paper—dividend up

A JUMP in second-half taxable profits from £96,089 to £973,990 at Associated Paper Industries has left the figure for the 53 weeks to October 3 1981 well ahead at £9\$4,990, compared with £352,089 for the previous

And directors are paying a better-than-expected final dividend of 1.8p net per 25p share, boosting the total from 2p to

Turnover was down from £44.67m to £33.78m but this included only £1.15m from discontinued operations, against

Pre-tax figure for the 53 weeks was after £367,838 special con-sultancy fees and related redundancy payments—comparative profits were struck after a £1.04m loss on discontinued

Mr Charles Rawlinson, chairman: of this paper, film and stamping foils manufacturer, says the revitalisation of the group has been achieved against a background of "some of the oughest conditions" the dustry has known.

The current year has started well, he adds, and the company faces the future with confidence He explains that during the

first six months of 1980-81 directors were spending heavily on improving efficiency but that through in the second half. While they continue to look very carefully at efficiency and productivity. Mr Rawlinson believes that the major work in

this area has been done. He points out that the recovery has been led by the paper con-verting companies. Henry and Leigh Slater, and Leonard Stace, where changes in operating and sales methods resulted in greatly improved profitability, "which is

pany is making an issue to shareholders of warrants carry-

ing the right to subscribe for

warrants are exercised, the com-

ordinary shares in the market

warrant holders. The warrants can be exercised only on April I

of each year between 1983 and

Mr Hugh Priestley, a director

the warrants should benefit shareholders in two ways in the

the remainder, sell the relevant (£263,344).

"The warrants.

DIVIDENDS ANNOUNCED Date Corre Total of sponding for Current W. G. Allen int. Nil Astra ind. int. 0.13 BET int 1.86 Country & N. Town tint 0.25 April 8 1.86 March 12 0.25 0.25 — 11.65 19.77 Derby Trust 10.88 March 19 2 Greenfriar Inv. 23
Leda Inv. 2nd int. 3.01
London & Montrose int. 1.25 April 1 Owen and Robinson int. Nil April 1 0.53 Saville Gordon int. 15 Feb 11 Turnbull Scott int. 3 March 5 0.79 1.8 Assd. Paper Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue f On capital increased by rights and/or acquisition issues. I Includes special payment of 0.5p. § Increased to reduce disparity between interim

£279.385, against £45,643.
The attributable balance came through at £969,278, compared with a £3.6m loss, after an extra-ordinary credit of £263,673. Last time there was a debit of £3.9m which comprised full provision for all closure costs, and trading losses after the dates of announcement of closure, in respect of operations discontinued during 1980 less the surplus from the sale of a subsidiary.

Basic and fully diluted earnings per share are shown as 4.8p (2p), and 5.8p (2.86p) with tax on a nil distribution basis. On a CCA basis the pre-tax figure is turned into a £1,000 loss (£583,000 loss),

comment

After a decade of stops and starts. Associated Paper seems finally to be getting things right. The costly board mill Interest charged amounted to disposals in 1980 have left the £590.506 (£768,472) and tax took group with only four highly

The shares rose 3p to 177p yesterday, reducing the discount

on the net asset value of 221p

£84.456, after tax of £60.184

well ahead at £182,835 (£87,735).

Stated earnings per 25p share

by 6.3p to 2.3p, absorbing £92,000

shares for approximately £2m.

ordinary shares will represent nav at February 12 1982 and

London and Manchester Assurance (owning 14.3 per cent of

Trust (7.36 per cent) and the Boesky family have agreed to

to which they are entitled under

the rights issue. The balance

has been underwritten by Credit Suisse First Boston in conjunc

tion with Seligmann, Rayner and

4-The Boesky (amily will sub-

scribe for 4.78m additional capital shares at 15p per share.

221.3p (202.3p).

comment

to the popularity of simulated silver and gold leaf cigarette boxes. But the directors are looking for significant improve-ment from all operations this year and, in particular, want to restore Whiley to its leader the optimistic statement suggests that further moves to

extraordinary credit of £309,600
on the disposal of a ship.
The directors say that the
MV Stonegate was sold in
December 1981 and provided a specialised converting opera-tions. Of these only the Slater laminating business has contri-buted strongly to the profit surplus before tax over book value of £640,000. The acquisition of Fred Parkes Holdings was completed on December 15 1931 they add. Independent Investment REVENUE ATTRIBUTABLE to

ship of the foil stamping market. The shares, at 52p, up 5p, have nearly doubled in the past year but it still remains to be seen if the much changed group can break the cyclical pattern of the past. Profits should reach at least £2m this. year and the prospective fully taxed p/e of under 8 would seem to leave some room for further price appreciation. The yield on the 20 per cent higher dividend is under 7 per cent but

vestors and thus may tend to reduce the discount of the com-bined share and warrant price

to net asset value. If the recent NAV growth-rate holds for the

next seven years and the discount on the share price remains much the same, the shares would be worth around 475p by the end of the warrahis life. And assuming the exercise

price is struck not far from the current NAV, the warrant holder would make a very nice

profit indeed. There would also, of course, be some dilution on

existing equity, but not as much

as in a normal underwritten

was £39,000 for the six months to December 31 1981 against £78,000 last time, while net assets rose by 37 per cent to £43,27m at that date compared with £31,87m last time. The directors point out that the reseme figures are not compared. revenue figures are not comparable due to a rights issue made in November 1980. Earnings per 25p share of tisks investment trust—whose policy is to invest for capital greath, principally in listed and unisted companies involved directly or indirectly in technology, with particular emphasis—on electronical and particular emphasis—on electronical emphasis—electronical emphasis—electronical emphasis—e Greenfriar issuing warrants

tronics are given as 0.14p (0.28p), while net assets are stated at 151.79p (111.05p). Assets were made up of investments listed on the UK Stock Exchange £9.04m (£8.32m); investments listed on other stock exchanges £28.73m (£6.58m); unlisted investments as valued by the directors £4.11m (£6.06m); short term fixed interest securities £143,000 (£9.72m); investment funds on deposit £757,000 (£1,17m); and net current assets

of £195,000 (£18,000). Franked income was £189,000 (£104,000), and unfranked income £183,000 (£226,000): After interest and expenses of £247,000 (£176,000) the taxable profits-emerged at £125,000 (£154,000).







هكنام الثها

To the shareholders of

Thos.W. Ward

RTZ is trying to get your shares too cheaply

225p is not a proper bid price. 225p is no more than a reasonable stock market trading price for Ward shares at which:

- The prospective dividend yield of 7% is above average and covered a safe 2.75 times.
- The prospective price earnings multiple of 7.4 times is below average.

Over the last five years:

- Ward's profit has increased 123%. 27% more forecast for the current year.
- Dividends have increased 113%. 41% more forecast for the current year.

TAKE NO ACTION

Do not sell your shares in the market. Ignore the Acceptance Form sent to you by RTZ.

This advertisement is published by S. G. Warburg & Co. Ltd. on behalf of Thos. W. Ward p.l.c. The directors of Thos, W. Ward p.l.c. (including those who have delegated detailed supervision of this advertisement) have taken all reasonable care to ensure that the facts stated and opinions expressed herein are fair and accurate and each of the directors accepts responsibility accordingly.

should have an immediate Greenfriar's novel warrant issue market value which will, hope- is in effect a deferred, optional fully, lead to a reduction in the argued that the fund's managers have an additional in effective discount to the net asset value of the company. And, because they cannot be exercised before April 1983 at centive to perform. But it is the potential gearing offered by the warrant that excites in-

new shares at a fixed price to 20 per cent.
between 1983 and 1988. Dealings in the warrants are

first of its kind for an invest- Stock Exchange. Brokers to the

for every five ordinary shares. The company's preliminary The striking price for the war-results for the year to December rants will be the net asset value. 31 1981 show net income higher-

of Greenfriar's shares on Febru- at £118,893, compared with

pany has the right to convert Gross income totalled £413,530

and pay the net proceeds to the improved from 2.11p to 2.97p warrant holders. The warrants and the net dividend is increased

If and when 75 per cent of the (£45,174) and interest charges

ment trust, is on the basis of one issue are Cazenove.

The issue, believed to be the to begin on March 1 on the

Cambrian and General Securi-ties and Mr Ivan F. Boesky of New York have agreed proposals

to be put to shareholders on-February 15. a class of capital shares, a scrip issue, a Elm increase in net assets subscriptions to new ordinary shares and capital shares by Mr rights issue, arrangements for the limitation of the life of the

A company controlled by Mr Boesky would be appointed investment manager. Existing shareholders will have the opportunity to sell their ordinary shares at net asset value. Direcper cent of the shares have committed irrevocably to vote in

favour of the proposals.

Mr Boesky is chief executive officer and controlling shareholder of the Ivan F. Boesky Corporation, which engages principally in investment in special situations and risk arbitrage. The proposals would result in members of the Boesky family owning 5 per cent of the ordinary shares and approximately two-thirds of the capital shares for a

The following capital changes 1—The Boesky family will sub-scribe for 214,503 ordinary shares at net asset value.

2—There will be a scrip issue

of 8.58m ordinary shares on a two-for-one basis to ordinary holders (including the Boesky 3-A rights issue will be made in units of five ordinary shares and three capital shares for every 15 ordinary shares then held. This will involve the issue of

Petroliber Segefiga Telsionica

M. J. H. Nightingale & Co. Limited (£80.000). Net asset value was Greenfriar is manage Henderson Administration. 27/28 Lovat Lane London EC3R BEB

Company Price Change
ASI Kildgs. 10pc CULS 121 + 1
Airspring 58
Amitags & Rhodes 48
Bardon Kill 201
Daborah Services 82

THE TRING HALL USM INDEX

115.5 (+0.5) close of business 21/1/82 BASE-DATE 10/11/80 100 Tel: 01-638 1591

CORAL INDEX Close 555-560 (+13)

OIL INDEX March Refined \$39.40

ent appears as a matter of record only.

£20,000,000 Revolving Credit

S. G. Warburg & Co. Ltd.

AP Bank Limited

The Bank of Nova Scotia

Charterhouse Japhet plc

The National Bank of Australasia

Allied Irish Investment Bank

Grindlays Bank p.1.c.

Allied Irish Investment Bank

Amsterdam-Rotterdam Bank, N.V.

Australia and New Zealand Banking Group Limited Central Trustee Savings Barrie Dimited

Grindlays Bank p.l.c. S. G. Warburg & Co. Ltd.

S. G. Warburg & Co. Ltd.

Astra gets little help from its main divisions

BOTH ENGINEERING and property divisions of Aris Industrial Group suffered serge reductions in product profits and group figures overall wate drawn nonfied dates of board meetings to from £55,000 for £108,000 in the stock both and for the purpose of consineering division's contribution was down from £244,000 to the serging division's contribution was down from £244,000 to dividends are interims or finals and the £82,000, and property planned wideless are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

The interim dividend is down is forecast, from 0.25p to 0.125p —last year's total was 1.5p, which included a special payment of 0.5p paid out of profits from the sale of a subsidiary.

The directors say the engineering division's results have not theless, it is known that the second half will show a recovery. They say a substantial increase will also be seen in the income of the investment and property division in the second six

Glass Glover, food distributors and importers of fresh fruit is raising approximately £590,000 by way of a one-for-five rights issue of 1.125m shares at 55p

The issue which is not under-written, is pitched at a 51 per cent discount to the market value.

of the shares which closed yes-terday up 70 at 114p. The direc-tors and their family own just under 50 per cent of the shares:

The company also announced

yesterday that pre-tax earnings jumped 32 per cent in the year ended September 30 1931 from 5658 853 to \$888.848. Turnewer

advanced to £43.8m against £37.6m in the year previously.

TODAY
Interiors—Dom, Haynes Publishing,
Star Computer, Stirfing Group,
Finals—Sterling Trust, United States
and General Trust. FUTURE DATES

Brown (John): Jan
Hallite Jan
Stewart Plastica Jan Ashdown invastment Trust Jen 28
Bullough Jen 27
Jones (Ernest) Feb 23
Owners Abroad Mar 3
Prart (F.) Engineering Jen 28 Prást (F.) Engineering Jan 28. Scottish Agricultural Industries Feb 4

was £467,014 (£361,864) while earnings per share was 7.14p

that all sectors of the company's activities are experiencing good trading conditions, enabling the

group to boost profits for the sixth year in a row.

The final dividend has been

raised to 1.7p, making 2.5p for the year against 2.1p. The board

intends to recommend dividends.

in the current year of not less

than 25p on the increased

The rights money will be

mr R. W. Holder the chalman. For the year as a whole Mr achieved in the first half of the of Bridgori-Gundry (Holdings) Holder predicted a satisfactory year but added that this could the meeting that the annual result for shareholders. He create an implantage in the could be a satisfactory of the create an implantage in the create an im

told shareholders at the annual result" for shareholders. He create an imbalance in profit meeting that the group was pointed out that trading continuing to enjoy the benefits ditions had slightly improved in periods. This year, he said, of the cost savings instituted the UK over the last year but Pearsalls, the group's major last year:

| Pearsalls |

capital.:--

The results for the first half. He warned that margins of the current year, he said, remained low, both in Europe were expected to be around and the U.S. and that the group break even after interest, with was therefore dependent on offset continuing

the possibility of a small loss volume to offset continuing He added that the figures would depressed prices. Clearly show a major recovery . The chairman said that with

-for the six months to January the group's faix of business it 31, 1981 the group incurred a was usual for well under half of taxable loss of \$335,000.

Bridport-Gundry 'recovery'

Mr Harry Glass, chairman, says.

Investment in property and new projects has continued throughout the recession, and all are on time to begin earning after April. It was known, say the directors, that this year would be transitional, and satisfactory progress is being made in the fundamental restructuring of the group.

The new leisure division out-lined at the year-end will commence operations on May 1. The first half pre-tax figure was struck after interest charges of £8,000 compared with £156,000. There were tax credits of £61,000 (£426,000), leaving attributable profits down from £1.23m to £169,000. Last year's figure was after extraordinary credits of

£250,000. Stated earnings per 10p share fell from 3.61p to 0.54p. Astra is a holding company with interests in electrical and These two factors lead the year's figures, the full year's press tool manufacturing, heavy board to believe that, notwith profits will not be far short of scrap processing, and property standing the disappointing half last year's pre-tax figure. scrap processing, and property, management and investment.

Glass Glover raising £0.6m

The company has more than doubled its pre-tax profits in the past four years. Mr Alick Glass, joint managing director, said the growth is due to expanded supermarket business and the renewed demand for fresh produce throughout Britain. In addition, the group has benefited from acting as selling agents for

pated an average increase in volume of about a third for the second half which would further

main overseas fruit selling boards, such as Cape and Jaffa.
The company reports that current trading is well ahead of last year and interim profits. should be "significantly" in excess of the £247,000 recorded last year. While a full-year declared. prediction is difficult to make applied towards the completion at this time, the group is of a £1m. distribution depot in confident that 1981 profits will

was higher at £1.71m, compared with £1.21m. The company's shares are traded on the Unilsted Securities

ROBINSON

by Owen and Robinson, the York jeweller and silversmith, for the half year to November 30 1981. In the corresponding period last year, the company had pre-tax profits of £974. No interim dividend is being paid against 6p

in the red

IN THE six mouths to September 30 1981 engineering group W. G. Allen and Sons (Tipton) suffered from a lack of volume particularly in heating products which was reflected in an almost 20 per

was reflected in an almost 20 per cent fall in sales from £3.7m to £3.04m and caused a slide from taxable profits of £40,000 to losses of £311,000.

As a result the interim dividend is being passed. Last time there was a pay-out of 0.8p net per 25p share, and a total for the year of 3.108p was paid out of taxable profits of £145,192.

However, the directors say that

sales of mechanical handling products have held up quite well, primarily through exports, as has fabrication work at Littlehampton. Looking to the second half they say that there will be some improvement, but there will be a further, albeit reduced, loss. They have every confidence in

the group's products and say they are bending all their efforts to ensure a more satisfactory result

Aerospace Eng. on target to meet forecast

For the six months to October 31 1981 pre-tax profits of Aero-space Engineering advance? from £375,000 to £525,000 and the directors say they are confident that the company will achieve its forecast of not less than £900,000 for the full year to end-April made last July in the offer for sale document. Half-vear stated earnings per

25p share rose to 7.9p (5.6p) and as foreshadowed, a net interim dividend of 2.75p is being paid— a final of 5p is expected to be Tax took £210,000 (£150,000) leaving the attributable balance at £315,000 (£225,000). Turnover

OWEN AND

A loss of £48,704 is reported

W. G. Allen E311,000 Trafalgar de-merger next month

Trafalgar House has received Inland Revenue approval to spin its newspaper and magazine interests off into a separately quoted company, Fleet Holdings. As announced at the end of last month, Trafalgar is proposing to float off the Express Newspapers and Morgan Grampian periodicals publishing group. Lord Matthews, deputy chairman and chief executive of Trafalgar, said yesterday at the annual meeting that the demerger would go ahead "as soon as possible" and expected that

the prospectus for the flotation would be published early in February.
One condition governing the disposal, that covering an agreement with Associated Newspapers for the joint holding in Evening Standard, would be

Lord Matthews was expecting the talks with Associated to continue for "a long time" and would centre on matters "of

The 50 per cent stake in the Evening Standard is to be transferred from Express Newspapers to Trafalgar at book value prior to the merger with the Evening News, Associated's London even-ing newspaper absorbed into the

The proposals for the de-merger were carried on a show of hands at Trafalgar's extraordinary meeting yesterday and were backed by proxies repre-senting more than £65m shares. Opposition amounted to just 44,310 shares.



Lord Matthews leaves the Institute of Chartered Accountants. Moorgate, London, after the Trafalgar House AGM

Answering a series of questions from Express employees, tible loan stock into Fleet Mr Nigel Broackes, chairman of although loans totalling £22m

Trafalgar, stressed that the from the parent company to its group would be putting £15m publishing subsidiary would be

mr Broackes made it clear that Trafalgar would trigger its option to convert its loan stock holding and thereby take up a total of 35 per cent of the shares in the event of an outside bid for Fleet after the de-merger. The chairman declared that Trafalgar had made only "small Trafalgar had made only "small profits" on the disposal of Express Newspaper's property interests although he said "we will make quite a lot of money when the Shoe Lane development is completed in a couple of years' time."

Mr Matthews said that he was making one senior outside appointment to make up the team of publishing executives which will run Fleet.

After the meeting Trafalgar which will run Fleet.

After the meeting. Trafalgar director. Mr Eric Parker, confirmed that the group was still negotiating with the British Steel Corporation for the purchase of the corporation's loss-making heavy engineering subsidiary. Redpath Dorman Long. Discussions were progressing Discussions were progressing very slowly," he said, but he was confident that Trafalgar was the only likely buyer. The final consideration would depend on net asset value which he indicated would be about £10m after further rationalisation within RDL and carried by

RDL now employs 3,200 people, he said, but Trafalgar will take on only 2,600. In addition, Trafalgar wants to cut RDL's plants

Saville Gordon rises to £0.5m

IN LINE with the company's forecast of a marked improvement in profits J. Saville Gordon Group turned in a higher taxable surplus of £522,703 compared with £316,298 for the first half to October 31 1981 on turnover £1.33m lower at £9.06m.

The interim dividend of this metal and engineers' merchant, and investment property pro-prietor is being increased to 1p net per 10p share (0.525p) to reduce the disparity between the interim and final distributions. Last year a total of 2928p was paid out of pre-tax profits of £511,000 (£1.61m).

Mr J. D. Saville, chairman, says that the group's current trading position is somewhat clouded, as the low level of demand for pipeline equipment shows little sign of an early improvement, and the effect of

equipment was low, during the first half and price competition year). There is an accompany-fierce, the engineers' merchants in glimmer of improvement in and stockholding division made an acceptable contribution to group profits.

loss in line with expectations but Mr Saville is confident that in the longer term, this acquisition will prove to be very

A breakdown of sales and profits for the half year shows: engineers' merchants and stockholding £3.94m (£4.81m) and £221.971 (£304,695); metal trading and scrap processing £5.03m (£5.57m) and £311,168 (£11,603); and property investment £90.026 (nil) and £10.946 losses (nil). Tax took £182,946 (£31,630).

comment

turn-round in its rather accentuate the distortion.

The chairman concluded by flower for the half was position remained strong and Turnover for the half was position remained at Bridgart and (£454,603). No tax charge is finely finely form the strengthened at Bridgart and finely finely form against open in provement, and the enect of A turn-found in its rather sites are still yielding only flower weather on the volatile metal-recovery business per sq ft). And after all, working effect on the doubling up the first-half profit interim profits of J. Saville leaves the shares on a fully-taxed group's operations in general, has had a striking effect on the doubling up the first-half profit interim profits of J. Saville leaves the shares on a fully-taxed group's operations in general, has had a striking effect on the doubling up the first-half profit interim profits of J. Saville leaves the shares on a fully-taxed group's operations in general, has had a striking effect on the doubling up the first-half profit interim profits of J. Saville leaves the shares on a fully-taxed group's operations.

Gend is open gainst op improvement, and the enect of A turn-found in its rather sites are still yielding only fill and the severe weather on the volatile metal-recovery business per sq ft). And after all, so the first-half profit interim profits of J. Saville leaves the shares on a fully-taxed group's operations in general, has had a striking effect on the doubling up the first-half profit interim profits of J. Saville leaves the shares on a fully-taxed group's operations in general, has had a striking effect on the doubling up the first-half profit interim profits of J. Saville leaves the shares on a fully-taxed position remained strong and those in South Wales in South

sales of tube fittings, despite low demand and a cut-throat market. It is at first sight odd that there The property investment was so slight a response from division made a small operating the share price, which rose only 2p to 51p. But much of this improvement had already been discounted after an optimistic statement at the annual meet-ing, while expectations of further recovery are to some

extent defused by the doubts expressed yesterday. In any case, the share price is now rather insulated from trading factors by Saville's move into property management. Much of the Jacey portfolio acquired last February is approaching reversion dates, and rental uplifts should be substantial (given that some of Jacey's best retail sites are still yielding only £1 per sq ft). And after all, doubling up the first-half profit

Whatlings climbs

A SUBSTANTIAL increase in pre-tax profits is reported by Whatlings, the Glasgow-based civil engineering and building contractor, for the year to September 30 1981. The figures show an increase from £151,844 to £416,649, although turnover was down from £28.81m to

An interim dividend, in lieu of final, of 1p (0.9p) was paid on December 21, and this absorbed £40,000 (£36,000). UK tax was higher at £17,143 compared with £15,429, but overseas tax was static at £225. Attributable profits were £399,281 against £561,520, but the previous year's figures included an extraordinary credit (deferred tax not required) of £425.330.

Retained profits were £359,281 (£525.520) and stated earnings per 25p share climbed from 3.4p

A YEAR OF SUBSTANTIAL ACHIEVEMENT

A FUTURE OF **CONTINUED GROWTH**

Now better balanced than ever before and working to a worldwide market strategy, The BOC Group is taking full advantage of its international strengths as a foundation for continued growth.

- 1981 profits before tax increased 50% to £92.7 million. Dividend increased by 10.6% CCA dividend cover increased to 27 times. Share price increased by 58%. More than 80% of operating profit came from outside the UK, reflecting the truly international nature of the Group.
- Profits are forecast to increase further in 1982. Capital spending will rise. as the Group takes further advantage of international opportunities for profitable investment. These encouraging trends should continue in the years ahead.

The 49,336 Shareholders of The BOC Group will be sent their copy of the 1981 Annual Report today. If you would like a copy of this report, please complete the coupon below ortelephone (01) 748-2020.

The 96th Annual General Meeting of BOC International plcwill be held at The Lyric Theatre Hammersmith, King Street, London W6 on Wednesday 17th February 1982 at 3.00 pm.

To: Carparde Communications: The BOC Cooper, Lamine senith House, Lander of the Communications of the BOC Cooper, Lamine senith House, Lander of the Bock Continuing of the Bock Contin

Rotunda management in buy-out deal with BICC

Rotunda, a leading British Rotunda manufacturer of self-adhesive tapes for industrial and consumer has been purchased by a group of four of its senior

The buy out by the management group, headed by Mr Geoffrey Davenport, Rounda's managing director, is being entirely financed to the Industrial and Commercial Finance Corporation a major equity provider for medium and small

sized companies. The price being paid for the 50-year-old Manchester-based company is not being disclosed but it was less than the company's net asset value of £2.5m. ICFC is understood to he getting a 30 per cent stake in the business. Involved in the purchase are Rotunda's two tape factories at Denton and Clayton, plus the management head office block at Denton. Together the factories and offices employ 195 people. The deal follows the announceof discussions between BICC, the cable manufacturing and engineering group, gad the

shares of the Royal Bank of

the findings of the Monopolies and Mergers Commission (MMC)

report on the rival £500m bids

A leading jobber is believed

January 8. Over the following

reported that both bids for the

Royal Bank had been rejected by the MMC.

December 31 1981:

Deduct:

Deduct:

to have asked for an inquiry both bids. following reported heavy selling. The Roy

several newspapers

for Scotland's premier bank

December over the sale of the company. Rotunda's paper tape business at Chorley, near Preston, company. from its former parent, BICC, has recently been sold separately as a going concern to a Canadian company.

Rotunda, which formed part of BICC's general products division, ranks as one of the largest British self adhesive tape manufacturing companies. But competition from imports has meant a tough time on the trading front for the company.

stronger emphasis, through BILL full maintained and expanded. It will be seeking to exploit manufacture and supply of electrical and electronic components and systems. BICC said yesterday: "We did have other offers but the one from the management was the best."

Rotunda's turnover for 1982 is expected to total around 25m.

Apart from Furence Returned. expected to total around 25m.

The company is profitable, although no figures have been Exports represent about 20 ptr

cent of turnover. The company

THE STOCK EXCHANGE has Friday January 8 ahead of the 5409,000 of goodwill is required confirmed that it is conducting leaks of the MMC's findings. The an inquiry into dealings in the following Monday over £100m. The total historic and current

was knocked off the value of

Royal Bank shares as the stock

were confirmed when the Government released the MMC

report and endorsed the Commission's decision to block

In connection with the pur-

chase of Nitec. United Scientific Holdings says that following

Southvaal Holdings

(Incorporated in the Republic of South Africa)

FOR THE FINANCIAL YEAR ENDED DECEMBER 31 1981

Subject to final audit, the following are the results of the company for the year ended

PRELIMINARY PROFIT ANNOUNCEMENT AND NOTICE OF FINAL DI

UTD. SCIENTIFIC

Royal Bank of Scotland

dealings face SE probe

The inquiry will dea! specific- market digested the weekend

ally with reported heavy selling press reports and the share price

prior to the press reports leaking fell from 192p to 143p. the findings of the Monopolies Four days later the reports

following reported heavy selling of Royal Bank share price closed at 128p yesterday.

The Royal Bank of Scotland's agreement of the final price in

Royalties received from Vaal Reefs Exploration and Mining

Interest received

Administration and other expenses

Transfer to general reserve

Dividends -- No. 9 (Interim)

Retained profit brought forward

Retained profit — December 31 1981

Earnings per share - cents

Dividends per share -- cents

in Johannesburg and the United Kingdom.

Operations at the Vaal Reefs South Lease area

Office of the United Kingdom Transfer Secretaries:

Declared

Charter Consolidated P.L.C.

P.O. Box 102, Charter House Park Street, Ashiord

Kent TN24 SEQ

— No. 10 (final)

On January 21 1982 dividend No. 10 of 195 cents a share, being the final dividend in respect of the year ended December 31 1981 (1980: 260 cents), was declared in South African currency, payable to members registered in the books of the company at the close of business on February 12 1983.

The transfer registers and registers of members will be closed from February 13 to 26 1982, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about March 11 1982. Registered members paid from the United Kingdom will receive the United Kingdom currency equivalent on February 15 1982 of the rand value of their dividends (less appropriate taxes). Any such members may, however, elect to be paid in South African currency, provided that the request is received at the offices of the transfer secretaries in Johannesburg or in the United Kingdom on or before February 12 1982.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also at the offices of the company's transfer secretaries

Details of the dividends declared in respect of the year ended December 31 1981 are · Dividend No. 9

July 23 1981

160 cents August 7 1981 September 11 1981

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

Copies of the quarterly report of Vasi Reefs Exploration and Mining Company Limited, which gives details of the operations in that company's South Lease area, are available on request from the offices of the company's transfer secretaries.

Copies of this announcement are being posted to all members at their registered addresses

The effective rate of non-resident shareholders' tax is 15 per cent.

Company Limited

share price had fallen by 3p on accordance with the purchase Thursday January 7 and 2p on agreement, an additional

Europe (about 30 per cent of the exports total) particularly in France, West Germany and Italy. It plans to improve its position in this area through more attention to existing expertise and through improving services.

Rotunda occupies a strong position in the UK with around 40 per cent of the cloth-based tape market and 30 per cent of Its development and output

The decision to sell Rotunda tions—electrical insulation, once stems from BICC's policy of stronger emphasis, through BICC full maintained and expanded. It will be seeking to exploit the stronger emphasis of the stronger emphasis of the stronger emphasis. of tapes for industrial applica-

> Apart from Europe, Rotunda trades in the U.S. and Canada and has recently won orders for specialised electrical tapes from covernment departments in Tur-key, Libya and Saudi Arabia.

cost goodwill written off has been

increased to £1.837.000 and the

historic and current cost retained

carnings reduced by a similar amount to £1.768,000 and £334,000 respectively.

Pilkington is to merge the operations of two of its insula-

Hastie Insulation and the Kitson's Group. The companies,

which together employ 1,400

people and have 30 branches throughout the UK, will trade

under the Kitson's Group name.

insulation contractor in Britain's

heating and ventilation market.

contracting subsidiaries,

PILKINGTON

158 152

3 685

161 837

996

67 743

41 600

358.1

(Final) January 21 1982

195 cents February 12 1982

Secretaries per: C. R. BULL Divisional Secretary

Johannesburg 2001

Head Office:

44 Main Street

(P.O. Box 61587 Marshalltown 2107)

London Office:

195 587

2 322

197 909

197 411

S2 90S

114 503

1 131

113 372

44 200

1 572

832

2 404

440.4

26 000 000

498

RTZ final offer

Thos W. Ward has rebutted the final appeal made to its shareholders by Rio Tinto-Zinc on January 19 by offering them its own final thoughts on the RTZ bid due to close on January 26.

Mr Peter Frost, Ward's chair-man, distils his board's objec-tions into short sentences summarising five key assertions: Ward's shares at their present level are "solid value," they are worth far more to RTZ, they reflect a successful management record at Ward, they are pre ferable to RTZ convertible stock or alternatively being left with cash needing difficult reinvestment-and they offer the chance of sharing in £5m to £8m of merger benefits which a combination of Ward and Tunnel could yield.

Shareholders are accordingly ecommended not to take any

sell in the market. Mr Frost makes clear that the recommenis based on pragmatism rather than principle: "A takeover bid even without commercial logic could be acceptable if the cash price is high enough," but 225p is "well short of that price."

It has been enough, however, to continue attracting some buyers in the market and RTZ has continued to accumulate Ward shares through its joint brokers. Hoare Govett and de Zoete and Bevan, at the bid

Morgan Grenfell, advisers to RTZ, said vesterday morning that RTZ's stake had reached per cent. Last night they added that buying in the day had again been steady and bid acceptances had begun to

Family disposals give Cardin control of Maxim's

M Pierre Cardin, head of the and when they become available prestigious Paris fashion house, has gained control of Maxim's. the top French restaurant. The Vaudable family has sold him a further 47,946 shares of Maxim's for £1.1m at a price of £22.56 each, which takes M Cardin's holding to 125.283 shares or 67.2 per cent interest.

Maxim's shares were sus-pended at £5.50 on the London Stock Exchange on May 8, 1981, pending a further announcement." The listing is being res-

M Cardin, it is understood does not at present intend to make an offer for the outstanding shares, but he has agreed to consider the purchase of additional shares as

HONEYWELL BUYS PROTECTION

Honeywell, UK subsidiary of Honeywell Inc. has acquired Shield Protection, a Londonbased intruder alarm system concern. Kitson's is already the largest

Mr Jim McGregor, chairman of Honeywell, says that with its excellent reputation and strong profit performance, Shield pro-vides Honeywell with a firm base from which to attract a substantial share of the growing security services market.

Existing Shield staff and facilities will become the Protection Services division of Honeywell, offering central station intruder and fire alarm monitoring to companies and residences throughout south east residences throughout south east England, it is stated,

The company will in future be known as Honeywell Shield

MANDERS (HOLDINGS) BUYS TILE COMPANY

Manders (Holdings) decorative division has acquired MGB Tiles of Quarry Lane. Chichester, which trades as Woking Tile Warehouse and distributes ceramic tiles from centres in Chichester. Farnham, Woking, Portsmouth and Bognor Regis.

Woking Tile was founded in 1965 by Mr E. H. Goulding, the 1965 by Mr E. H. Goulding, the 1965 by Greycoat Estates. tinue in that position for at least

one year. Mr Geoffrey Norman, chairman of Manders, says: "It is our intention to continue to develop Woking Tile Warehouse along the same lines that have been so successfully employed by Mr Goulding and the new arrangement will provide great oppor-tunities for expansion."

MINISTER INVESTS

IN HOLLAND Minster Insurance Group has recently purchased a 10 per cent shareholding in Nieuw Rotterdam Beheer NV, the holding company for a major international Netherlands insurance company, underwriting agency and brokerage group with interests in Germany, France, Switzerland and the UK.

Minster Insurance regards this association with such an important Netherlands insurance group as a major step in developing joint arrangements to increase its business interests in the EEC insurance markets, and a further stage in its international develop-

ALEXANDER HOWDEN The merger between Alexander and Alexander Services and Alexander Howden Group is not being referred to

the Monopolies Commission Alexander Services now owns 14.8 per cent of the Howden Group equity, having purchased 250,000 shares at 129 tp: 250,000 at 129 tp: 100,000 at 130 p; and 410,000 at 130 tp.

ent Debt

on the stock market.

M J. L. Vaudable, a former chairman of Maxim's, announced the sale of the shares to M Cardin. M F. O. Vaudable resigned as managing director and as a director on July 28, last. M Cardin was appointed a director and manazing director of Maxim's on the same date. subject to confirmation by the company at the next general meeting. He was appointed chair-

man on December 31. M Cardin intends to maintain the business and operation of the company, and in particular, to continue to promote the name Maxim's through Air Maxim's and the shop activities.

GREYCOAT ESTATES CITY OFFICES

Acceptances of Greycoat Estates' offer for City Offices total 24,100,577, representing 89.9 per cent of the ordinary shares. The first preference offer has been accepted by 17.086 (96.2 per cent) and 106.789 (91.53 per cent) have accepted the second preference offer Immediately prior to the offer

being made on November 17 1981, Greycoat and its sub-1981, Greycoat and its sub-sidiaries owned 600,000 City Offices ordinary shares. Accordingly, the total interest of Greycoat and its subsidiaries in City Offices ordinary shares is now 92.14 per cent. and 92.15 per cent of the voting rights of City Offices

In accordance with the offer document dated December 24 1981, the partial cash alternative has now closed. The ordinary are now unconditional in all respects and will remain open

LEISURE CARAVANS

Leisure Caravan Parks has purchased Littlesea Camp (Weymouth), a private company owned by the Farthing family. It consists of an SI-acre holiday park lying one and a half miles west of Weymouth, overlooking

the West Bay.
The park is licensed to accommodate 680 parked caravans, 140 touring caravans and 125 tents. Buildings include a reception. bars, games rooms, sanitary blocks and shops.

Mr R. L. Webb, a director, aid: "We have been looking for some time to expand our interests on this part of the coast and Littlesea fits in exactly with our expansion plans." It is boped that Leisure Caravans will quickly develop the holiday park further by building a swimming pool and improving the entertainment

facilities. Leisure Caravans, part of the Hotels and Holidays Division of the Rank Organisation, operate 14 caravan parks, two marinas and three caravan sales contres in the UK and one caravan park in the U.S.

BURMAH/CRODA

J. Henry Schroder Wagg, who are advising Burmah Oil, sold 100,000 Croda International ordinary shares at 72p and 61,750 deferred shares at 491p on January 20, on behalf of associates discretionary investment discretionary discretionary investment clients.

BANK RETURN

	Wednesday Jan. 20, 1982	Decrease ()
BANKING	DEPARTMEN	T
Liabilities Capital	14,553,000 43,016,504 587,667,485 1,555,293,213	£ - 1,509,906 + 143,128,034 + 3,540,287
	8,200,530,208	+ 145,158,415
Assats Government Securities Advances & other Accounts Premises Equipment & other Secs. Notes	701,140,089 1,054,977,500 436,100,780 8,081,587 229,966	+ 347,300,000 + 25,488,592 - 115,318,611 - 12,298,772 - 22,794
Ĩ	2,200,530,202	+ 145,158,415
ISSUE D	EPARTMENT	

- 100,000,000

T. Ward rebutts | Vaal Reefs makes the best of a poor year

BY KENNETH MARSTON, MINING EDITOR

ONCE AGAIN, South Africa's big Vaal Reefs gold and uranium mine has paid a better than expected final dividend. The mine has paid a better than expected final dividend. The change in average gold prices paymet: of 550 cents (291p) received in terms of U.S. dollars, makes a total for 1981 of 980 but these have translated into an increase in rand revenue as a 1980 when the average gold price was \$614 per troy ounce compared with \$457 in 1981.

The approprieted Southward has the established pattern of little change in average gold price in average gold price in average in average gold price in average gold price in average gold price in average gold price in average gold prices.

Gold Price Received (R per kilo-

The associated Southvaal has also done well with a final of 195 cents to make 355 cents against 430 cents for 1980 as has Western Deep with a final of 205 cents to make 405 cents against 800 cents. South African Land

but, as expected, East Daggafontein is again passing its divi- Vaal Resis Latest dividends from these

Anglo American Corporation Western Hidge. group gold mines are compared in the following table.

	1982				. 1980
ļ	CBRTS				
Eag: Dagge	7.3	17	ił	15 .	
SA Lands	25	-1		20	•35
Southvaa!	195	-16			*170
Vas: Reels	530				*620
Western Deep	205	*20	0 4	:00	4400
• Denotes at	er:m.				
	0	ec.	Sep	nt .	Juna
		tr			qtŕ
i		CO	ROO		FC20
East Dagga		183	16.2	25 2	20,390
ERGO					4,329
Earderand	Z	C65	41.1	76 3	7,559
	=	===		=	

	Dec	Sept	Juna
	qtr	क्श ं	qtř
	ROCO	ROOD	PC20
East Dagga	183	16,223	20.390
ERGO		2,684	
		41,176	
F. S. Geduld		41,175	
Pres. Brand		37,259	
		37,259	
Pres. 5:ay?		1.884	
Yesi Resis	23,030	/5,580	23,303
√/. Daep	51,416	39,573	54,373
ty. Haisingsf-	37,625 1	102,524	25,333
* Loss. t include	s Weik	om, Sa	Biplaas
and Effdeel opera	t.ons.		

Otrended Otrended Dec 31 Sept 30 R13,080 R12,484 . (\$404) R12,483 Exploration ("Sallies") is deciaring a final of 25 cents to make 40 cents against 55 cents.

S. A. Land

> Of the mines to report higher net profits for the quarter, Vaal Reefs has beaten its 1980 gold production record, but the rise in the latest quarterly profit comes via a sharp increase in that from uranium which reflects the delivery of a long-term con-Matters have also been

> tract. Matters have also been helped by a lower tax charge... President Steyn has earned more thanks to increased gold production, while Western Deep has benefitted from a fall in

Western Holdings has done better at pre-tax level, helped by a profit from the joint metallurgical scheme against a loss from the latter in September

The December quarterly But this time Holdings has reports from the group follow incurred a tax liability against the established pattern of little the credit in the previous three change in average gold prices months which arose from the merger with Fre State Saziplaas

The latter arrangement included the plans to go ahead with mining of the low grade gold and uranium Erfdeel-Dankbaarheid area. The cost of the Erfdeel project has now been raised to R542.5m (£298m). This follows the decision to increase the new mine's planned milling rate to 225,000 tonnes of ore a month from the previously pro-ected 200,000 tonnes. The expenditure will cover the period 1981 to 1992 by which time the project will be complete.

President Brand has produced less gold and suffered a rise in costs, but profits have been parti-cularly hit by the absence of a dividend from Welkom following the latter's acquisition by

Western Holdings. Costs have risen sharply at Free State Geduld as a result of a change in policy whereby both underground development and No. 5 shaft operating costs are added to working costs instead of being charged to capital expendi ture. The work is being carried out preparatory to a build-up of stoping in Nos. 5, 7 and 9 shaits.

Of the newer concerns, profits of the dump retreatment opera-tion, East Rand Gold and Uranium (Ergo), have been reduced by the provision for initial tax liability. The young Elands-rand mine reports more encouraging development results but its latest ore reserve figure

Zimbabwe's mineral marketing take-over will hit producers

ZIMBABWE CHAMBER of Mines has reacted sharply to the Government's decision to press ahead, in undiluted form, with the legislation to establish a State-owned minerals marketing corporation that would take over the marketing function of the mining houses, reports Tony

Hawkins from Salisbury.
The country's mining industry is largely in the hands of the multinational mining houses such as Anglo American Corporation of South Africa, Rio Tinto-Zinc, Lonrho, Union Carbide. Turner and Newall and Messina (Transvaal).

In a gloomy statement vester day the president of the Zimbabwe Chamber of Mines, Mr Roy Lander, warned that the decision to go ahead with the legislation in virtually unchanged form, despite represenchanged form, despite represent the corporation will be able the State was already made availations and advice from mining to take control of output from able and the Chamber had offered experts both at home and the mines "long before payment to participate in establishing an abroad, represented "a very is made "and to negotiate mining authority to monitor mineral serious setback to the develop
contracts for the sale of minerals sales and ensure that all relevant ment of the mining industry in

countries in Africa and elsewhere showed that marketing authorities of the type proposed for Zimbabwe inevitably couraged, if they did not eliminate, future investment in mining and adversely affected customer willingness to buy," said Mr Lander. Mr Lander listed the chamber's

chief criticisms of the Bill which was tabled in Parliament on Wednesday and which is likely to become law within the next He said the Bill allowed the

corporation to regulate the size of producer stockpiles and thereby determine the rate of production so that it is not just marketing but production that

The experience of other addition the corporation will be of revenue for periods of up to

The chamber had put forward a number of amendments to the draft Bill, but with minor exceptions these had been ignored said Mr Lander. He added that Government had given two main reasons for the legislation: the need for state control of market-ing, because of the importance mining exports, and the desire to eradicate under invoicing and transfer pricing.

Mr Lander said that although there had been many allegations of such malpractice, "no specific valid examples" had been cited and there had been no prosecu-

Furthermore, nearly all the relevant information required b The corporation will be able the State was already made availsales and ensure that all relevant without incurring any legal data was available to the Govern-liabilities or responsibilities. In ment.

Carroll Industries Limited____

Summary of Results for the year ended 30th September 1981

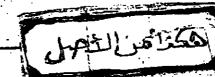
"The results for the Group in the year to 30th September 1981 might best be described as quite good in the circumstances, these circumstances being that the condition of the economy continued to deterior ate alarmingly as domestic inflation gathered momentum at a time when the main trading nations struggled vigorously to reduce the much lower levels of inflation existing in their economies".

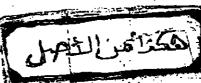
(Extract from Statement of Chairman, D.S.A. Carroll)

•.	Current Cost (Convention
:	1981	1980
Sales	IR£181,560,000 '	IR£138,482,000
Operating Profit	IR£7,226,000	IR£6,692,000
Attributable to Shareholders*	IR£3,924,000	IR£4,638,000
Operating Profit return on the average of net Operating Assets		18.1%
Earnings per Share Dividend per Share Net Asset Value per Share	8.1p 6.25p 77p	9.6p 5.25p 70p
*1951 is before the extraordinary married of the		

- Copies of the Report and Accounts are available on request from

The Secretary, Carroll Industries Limited, Grand Parade,





UK COMPANIES

Country and New Town at £0.51m

FOR THE six months to July 31
1931 Country, apid. New Fown
Properties returned operating
Profits of £316,000, compared
With a loss of £316,000 for the
corresponding period a year
serlier, and Mr Gerald Newton,
the chairman, says, the improved
trend has countinaed into the
second 1941.

At the pre-tax level, however,
profits emerged £458,000 kower at
£514,000 but this incheded, as
forecast, a mach reduced surplus
from the disposal of essets of
£138,000, which compares with
last times a fax credit for the
first talf of £65,000, against a
charge of £33,000, which raised
the post-tax profit by £50,000 to
£580,000 Minority debtts rose
from £183,000 to £252,000 and
attributable profits came through
at £328,000 (£370,000).

As forestadowed, the net
interim dividend is being main

totalled at 0.25 per 10p share on
the capital increased by the
right issue announced lest
Mr Newton points ont that the
right issue enable the group to repay its. UK bank housewings
and cleared the way for further
expansion now that the office
work on the Strand, London,
The group has continued to
acquire fresh assets overseas. Its
Realty, has bought properties in
Pennsylvania for \$5.8m and
leased them on a high
leased them on a high yield to
a major U.S. bank.

While the group's main expansion abroad is still focused on
North America, it has also
invested in an office development in Versailles.

For the year to January 31
1831 group pre-tax profits
totalled £2.27m, including £2.13m
from the disposal of assets.

Record bonus declaration by Scottish Provident

been amounced by the Scottish to £1,200 per £1,000 for entry year 1978 to £1,200 per £1,000 for entry year 1978 to £1,200 per £1,000 for entry in 1939 or earlier. The previous its first ever sumual declaration, scale veried from £10 for entry Previously lits bonus declaration year 1974 to £870 for 1939 or tions were made every three earlier. The scale for individual years.

rate on self-employed and "E" assurances being £5.20 per cent type (executive) pensions compound and £6.10 per cent compound for pension fund basic benefit and attaching bonuses, equivalent to £7.50 on the previous system. The with bave been increased to 2½ per profit funding plan bonus rises, cent of the basic benefit for each from 1121 per cent to 120 per cent of the basic benefit for each the cent of the basic benefit for each control of the b

ments.

SPI has also substantially years, the rate rises from 16 per amproved it additional claims cent to 20 per cent; from 40 per bonus paid on death, maturity cent to 45 per cent at 20 years; and vesting claims in 1982. The new scale on assurances ranges cent after 30 years.

tions were made every three earlier. The scale for individual years.

The actual rate for assure fin for 1959 or 1959 or 1959. The actual rate for assure fin for 1978 for 1978 ances remains at 55 per cent of to 5400 for 1959. The old scale the sum assured and attaching varied from fils at 1974 to 5240 bonuses. But this is equivalent to 55.25 per cent under the three-year basis. Similarly, the rate on self-employed and "E" assurances being 55.20 per cent type (executive) pensions

from 1121 per cent to 120 per year after the second, plus 23 cent of the guaranteed incre per cent for each year after the ments.

20th. Trus, for claims after 10

Derby Trust at £0.58m

Trust, investment trust, slipped from £598,158 to £583,584 and the company is reducing its net

numerances a net dividend of Assets attributable to capital not less than 21p per share is shareholders at year end forecast for the current year, totalled £15.85m (£14.51m), The directors polifit out that equal to £6.17 p (£5.651p) per as forecast a year ago income for 50p share.

Johore State Economic Development Corp. Malaysia now holds a total of 1,505,500 ordinary Alexander Howden Group—De Zoete and Bevan, acting for Alexander and Alexander Services bought 1.55m Howden services budget 1.55m Howden ordinary on January 18 at 128,55. Alexander and Alexander's bolding in Howden now totals 11.45m ordinary (12.55 per cent).

Fledgeling Investments—

North Atlantic Securities Cor Minerals Oils and Resources— poration has disposed of its following recent transactions holding in the company. Anglo Strabul numinees owns 46,400 American Securities Corporation shares (12.7 per cent).

of funds into overseas markets during 1980 and by further transfers in 1981.

final dividend from 11.6489 to Revenue before tax was 10.8769, making a total of down to £918.193 compared with 19.7659, against 20.2599 per £1 £948.764. Tax took less at income share:

However, income growth is £18.588 (£17.173) was for overexpected to resume in 1982 and seas.

in the absence of inforeseen girls.

SMAKL SIARLS

Beradin Rubber Estates—The has reduced its stake to 2.5m ordinary (19.889 per cent). (Cattle's (Holdings)—Mr Waudby, Mr R. W. Chapman, Mr and Mr A N Collier, as trustees of the staff pension fund, pur-chased in a non-beneficial capacity 26,622 ordinary and have purchased a further 100,000 ordinary. Standard Fireworks-The Prudential Corporation notify that Prudential Nominees hold

Prudential Nominees hold 197,500 ordinary (7.9 per cent). Minerals Oils and Resources

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Gold mining companies administered by Anglo American Corporation

All companies are incorporated in the Republic of South Africa.

Reports of the directors for the quarter ended December 31 1981

ie ko						· · · · ·		·		•						.,
e L	WESTERN DEEP Western Deep Levels Limited	LEVEL	S	:	EAST DAGGAFO				VAAL R	EEFS.	—cont	inued	· · · · · · · · · · · · · · · · · · ·		· · ·	
s h	Issued Capital: 25 000 000 shares of R2 (Quarter ended	ended e	Year inded	East Daggafontein Mines Limited ISSUED CAPITAL: 3 730 000 shares of Rt	each Quarter ended.	Quarter ended	Year ended					Quarter ended Joc. 1981	Quart ended Sept. 19	ı	Year epded Doc. 1981
n d	OPERATING RESULTS GOLD Area mined—m2 000's Tous milled 000's	Dec. 1981 191 805	195 825	745 3 156	FINANCIAL RESULTS Royaldes Smaley reveaus	Dec. 1981 R000 572 5	Sept. 981 R000 7 2	Dec. 1981 R000 1 108 51	Royalty to Sout (55% of surp Capital expendity Artitander Lease Gold revenue	hvazi Holdi lus area	ings Limit	ed	38 066 21 736	39 E 13 7		158 152 61 210
.	Yield—git—kg Production—kg Cost—Rins, mined —Riton milled —Rity produced. URANIUM OXIDE Tons treated 000's	11.84 9 529 225.83 53.85 4 525	12.44 10 260 242.85 57.39 4 615	12.36 39 013 234.94 55.53 4 492	Dedpct: Costs	577 173	9 .79	1 159 366	Gold—revenue —costs —loss Uranium oxide i			•	— <u>=</u>			2 869
2	Field—kgit Production—kg PRICE RECEIVED ON SALES	587 0.08 45 882	609 0.10	2 331 0.09 12 484	Profit (loss) before taxation	. 404 . 221 . 183.	(70) (46)	793 428 364	Royalty to T	he Afrika	nder Lea	ise	t5 12	9	28	2 871
2	—Sioz FINANCIAL RESULTS Gold—Results	13 185 425 R000 126 315	424 R000 132 494 5	12 979 462 R000 05 892	SONANZA GOLD MINE (PROPRIETARY) L The company, as the holder of 23 per cent Mine (Proprietzry) Limited has agreed to rate equivalent to the minimum commercia	of the Issued sh	pare capital of 8 pare Capital of 8 pare Capital of 8 pare 25	Sonanza Gold an interest	Limited Capital expendits Note: Operations consequently the	re in the Af minimum an	elkander L	 ease arc:	8 034 resulted	63 In a loss able.	•	27937 year and
	—profit Urasium oxide profit Net sundry income	83 204 1 978 3 139	47 349 1 85 145 3 1 185	75 262 31 630: 5 072 10 131	shareholders' loans to Bosanza to enable ROYALTIES Royalties for the quarter were received fro	It to linance in m the Grootylei	creased product Proprietary Mi stitule the mai	ion. ines Limited.	SHAFT SINKING (South Lease are No. 9 main shaft Advance—matres	a) · · · · · · · · · · · · · · · · · · ·		· 	2 342	2.3	1 42	187 2 542
	Profit before taxation and State's share of profit Provision for taxation and State's share	 88 321	88 988 3	46 833	the company's annual income. The royalties are payable in February and August.	N. F. OPPEN	i and on behalf IHEIMER) D	lines Limited of the board irectors	Depth to date— Station cutting— No. 9 ventilation Advance—metres Depth to date—	metres shaft		 -	126 2 254	2·1	64 43	496 654 2 254 1 612
	of profit Profit after taxation and State's share of profit	26 905 61 416		27 916 18 917	January 22 1982	W. R.	LAWRIE j		Station cutting (Afrikander Lease No. 1 Incline shi Advance—metres	-metres : area) aft (shaft dees	ening)	 	451 81 873 -	7	42 50 92	1 612 191 873
E. 8. 7	Daduct: Appropriation for capital expenditure *Provision for dividend on 'C' ordinary shares Unvidend—interim			2 352	S.A. LAND The South African Land & Exploration	n Company Lir	nited	· = .	Depth to date- DEVELOPMENT	Advance	*		Sample	ed	urapi	
y.	Retained profit for the year	•	- -	50 000 51 250 1 901	ISSUED CAPITAL: 9 182 700 shares of 35	cents each Quarter epded	Quarter	Year ended	North lease area. Vasi reef	metres	metres	width	g!t	cm.g.t	kait	cm.kg/t
QI.	Capital expenditure SRAFT SINKING (pre-sinking) No. 1 main shaft Advance—ingtres	37 633	_	19 632 31	OPERATING RESULTS GOLD Tous milled 000's	Dec. 1981 415 0.95	Sept. 1981 375 0.88	Dec. 1981	SHAFT AREA No. 1 , No. 2 No. 3	1 862 6 880 2 622	156 536 240	25.4 81.7 17.6	76.61 27.80 46.19	1 946 2 271 815	2.29 0.49 1.47 1.51	58.18 40.39 25.89 31.80
ē	No. 1 service shaft	45 169 233 of dividends which	45 32 64 Includes after-tax	207 233	Tielo-git Production ks Production cast—Rivon milled —Riks produced. PRICE RECEIVED ON SALES	396 3.78 3.962	330 4.14 4 700	1 478 3.88 3 970	No. 5	3 948	430 784 2 146	21.0 44.3	50.71 59.21 44.19	1 065 2 623	1.56	69.30 48.90
r.i	Dench to date metres of the acrual "The provision is in respect of the acrual earned by the investment of dividends perfected when the 'C' ordinary shares outlined in the circular to members date DEVELOPMENT	reviously accrued, p are Issued. The a ed August 27 1986 Sampled	payment of which sabove arrangements 0.	will be	Gold—R/KB —Sloz FINANCIAL RESULTS Gold—revenus —production costs	13 015 419 R000 5 130 1 565	12 599 417 R000 4 230 1 551	12 896 460 R000 19 056 5 858	December 1981 Quarter ended September 1981 Year ended December 1981	18 621 20 603 76 671	2 170 2 170	44.3 42.3	38.87 44.61	1 722 1 887	1.08	47.80 49.81
d d		ennel gold ldth git c	branium magit kgit d	m.ko/t	Less delivered cost of dump material	3 561 2 807	2 679 1 847	13 188 8 325	V.C.R. SHAFT'AREA No. 6	,				:	<u> </u>	3,00
5	No. 3 4 197 70		498 0,25 119 0,91	12.99 16.09	Gold profit Sale of salvaged equipment and scrap Net sandry revenue Profit before taxation	7 554 42 626 2 222	832 7 590 1 429	4 863 56 1 751 6 670	December 1981 Quarter ended . September 1981 Year ended	996 502	74	57.9 105.2	16.75 6.75 3.86	556 391 406	0.24 . 0.08 0.06	4.56
} .	Quarter ended			15.92 29.48	Profit after taxation	1 990	1 884	6 060	December 1981 Area under tribute to and developed by	1 798	125	193.2	3.00			
1	Dècember 1981 33.959 . 558 : Y.C.R. Skaft area	•	394 1.29 2	27.58	Deducti Aspropriation Capital expenditure Dividend—Interim Final		,	1 655 1 377 2 296	Hartebeest fontein Gold . Mining Company Limited (no: .included in			·		•		
r	No. 2	90.9 26.18 2	380 —	<u> </u>	Retained profit for the year	1 633	2 110	732 4 749	totals Vagi reef Quarter ended December 1981	1 142	- 82	97.5	19 .09	1 863	0.23	22.77
1	September 1981 4 158 142 2 Year ended		016 — 130 —	— .	Recoupment	180	1 809	4 252	Quarter ended September 1981 Year ended December 1981	1 219 4 820	202 948	88.4 95.7	42.88 25.69	3 791 2 459	0.39 0.35	34.65 34.27
	(See note 1) Based on gold price per Tons Kg 000	Stope width Go	 	m.kg/t		Dividend No. 81		31 1981 are I No. 81	Vasi ree!	 - 1871 ·	158	18.1	69.45	1 257	3.04	55. <u>01</u>
s r	Carbon Leader July 31 1981 R12 000 3 022 R14 500 3 054 July 31 1980 R12 000 3 021 V.C.R.		2 415 0.24 2 2 396 0.24 2 2 510 0.23 2	4.41 4.27 3.55	Declared Per share Payable to members registered	July 23 1981 15 cents August 7 1981 September 11)anuary 25 cents - February	21 1982 1 , 12 198 3 : - 12 1982	No. 2*	- 65 875 - 8 086	50 604	13.1 116.2	55.03 23.73	2 757 .	3.38 0. 61	44.29 71.27
S	July 31 1981 : R12 000 2 949 R14 500 3 370 July 31 1980 R12 000 2 950 DryineNDS	136.8 11.03 134.1 11.63	1 534 — 1 509 — 1 560 —	Ξ	Orders placed and outstanding on capital (R4 400 000.	AND UNDERG	ROUND WORK	INGS	Quarter ended December 1987 Quarter ended September 1981	10 398 17 454	792 1 130	92.7 93.9	25.69 22.64	2 381 2 126	G.72 D.74	67.0 1 69.95
1.	Details of the dividends declared in response as follows:	Dividend No. 39		40 `	Installation of the winder serving the sub- is planned to be commissioned in the set sub-vertical shaft will be examined and the start to be made on the de-watering of the	e nuderBronny a s necessors reba	nie nadelfakter	m beant s	Year ended December 1981 "G" reel SHAFT AREA	46 442 -	4 458	89.5	25.78	2 302	0.34	75.29
ŀ	er share symbile to members registered syment date S APITAL EXPENDITURE COMMITMENTS	. Angust 7. 1981	205 cent February 12 1 March 12 1		January 22 1982	N. F. OF	PENHEIMER	Directors	Ng. 8 Quarter ended December 1981 Quarter ended September 1981	· • 238	. 30 68	. 15,9 16.1	119,37 213.04	1 90 6 3 430	3.60 5.89	57,26 94.£1
: 1 0	orders slaced and outstanding on capital 1869-971 000.	Eng has	d on behalf of the	postq	VAALREEFS	:	:.: ·		Year ended December -1981 Area under tribute to and	760	170	22.3	101,35	2 260	. 3 <u>.13</u>	69.78
Ţ	laneary 22 1982	W. R.	LAWRIE ; DI	ectors	Vaal Reefs Exploration and Mining Co ISSUED CAPITAL: 19 000 000 shares of	50 cents each Quarter	Quarter	 Year	developed by Suffessiontein Gold Missing Company Limited (not included							
11.	ERGO East Rand Gold and Uranium Compa	ny Limited			OPERATING RESULTS	ended Dec. 1981	ended Sept. 1981	pec, 1981	in totals: Vaal reef Ouarter ended December 1981	1 \$31	204	119.0	11.39	1 356 ·	0.36	42.81
1	SSUED CAPITAL: 41 000 000 stares of S	Quarter ended	ended ea	nonths. ided . 1981	Totals for the three lease areas Area mined—m2 000's Tons milled—000's Yield—g t Production—ke	. 455 2 044 8.42 17 212	494 2 150 8.80 19 001	1 872 8 502 8.65 73 507	Quarter ended September 1981 Year ended December 1981 * Development G	2 155 9 068	372 1 059 In South !	139.2	11,20 12.62	1 559 7 674 orth Lease	0.32 0.41	44.23 52. 97
: 1 S	OPERATING RESULTS Lignes treated—tons lotal production uranium oxide—kg sulphurk acid—tons		76 081 22	18 000 18 553 10 720	Production—kg Cost—North and South Lease areas —Riss mined —Riss milled —Riss malled —Riss produced	217.00 48.30 5.736	196.68 44.53 5 062	194.57 42.31 4 881	Afrikander lease Dominion reef Quarter ended December 1981		_	_	· _ ·	·	—u	
١,	sold—kgs sold—kg reatment of pyrite purchased tons Production (included in the above	5 736 1 442	5 969 · :		North Lesse area Area mined—m² 000's Toss milled—000's Yield—9:3 Production—kg	305 1 297 7.00 9 076	333 1 357 7.66 10 396	1 254 \$ 403 - 7.39 39 955	Quarter ended September 1981 Year ended December 1981	1 078 5 059	206 854	51.7 89.0	1.83 1.45	112 °	1.6-8 1 03	131.31 71.31
١.	figures; gold—kg sulphurit' acid—tons PRICE RECEIVED ON SALE5 lokd—R/leg	<u> </u>		33 4 114 2 930	Production—kg Cost—Rind mined —Riton milled —Rito produced Sort Alks produced Sort Anna Control	211.57 49.99 6 998	188.57 46.27 6 040	188,44 43,73 5 914 590	Totals Vaal reef (excluding tribute							
١,	TNANCIAL RESULTS Revenue—Gold and silver — waniom cooks and sulphuric	421 8000 16 935	419. R000 17 836 .	439 R000 59 221	South Lease area Area mined—mc 000's Tons milled—000's Yield—9.1 Production—kg Cast—Rims mined —Rikg produced Articonic Lease need	747 .10.89 8 136 227.53	156 503 10.72 8 505	3 078 3 078 10.90 33 547 207.76	areas) Quarter ended December 1981 Quarter ended September 1981	29 919 32 957	2 938 3 240	57.6 61.6	36.15 30.24	2 052 1 863	0.93	53.78 55.52
	acid Otal revenue Lost of sales	25 745 9 324	24 867	20 309 79 530 27 271	—Riton milled —Ritop produced Airfikander Lassi area Area mined—n2 000's Tons milled—000's	45.38 4 167	213.98 41.57 3 879 5	39.82 3 654 28	Year ended December 1981 ORE RESERVES (See note 1)	123 113	12 464	59.1	34.45	2 036	0.99	58.25 ·
	operating profit Net supdry income Trofft before taxation	16 421 857 17 278	748 16 778		Production—kg The Aidkander Lease area is predominably a granium producer and its mining	Ξ	Ξ.	0.24 0.24 5	Totals Vaai reef	Based o gold pric kilogran	e per Ton	ь 5:ор е 5 сл		Gold cm g,t	kg.t	cm.kgr:
•	revision for taxation	12 627		5 206 9 240	production costs. URASIUM OXIDE Table for the face large areas			•	July 31 1981 July 31 1980 V.C.R. and	R12 00 R14 500 R12 00	0 265	534 11	7.3 15.4 6.7 13.0 2.6 13.3	ā 1527	0.41 3.40 • 0.39	48.29 47.19 43.41
	Appropriation for the first six months—Capital expenditure Ovidend—Interim		· <u>- 3</u>	5 402 4 500	Tons treated—000's Yield—kgit Production—kg	2 004 0.19 390 054	2 119 0.20 434 060	5 502 0.20 1 693 569	Elsburg reet July 31 1981 July 31 1980	. R12 00 R14 50 . R12 00	6 6	350 13	0 3 4.2 2.8 3.8 8.7 4.2	0 504	9.19 0.10 0.11	13.59 13.69 13.61
H	Retained profit for the nine months APITAL EXPENDITURE otal fininer and jack project fine profit after tending, shown above.	4.814 2.037	5 202 1 3 055	9 238 1 346 5 092	Tous treated—000's Yeld—kg/t Production—kg South Lease area Toos treated—000's	1 242 0.17 212 117 762 –	1 265 0.18 227 672 854	5 038 0.18 896 682	Dominion reef (Afrikander Lease area) July 31 1981	_ R12 000		67 10	5.6 7.13 5.0 1.13		1.54 1.52	162,71 160,97
H	parter and R3 208 000 for the nine and espect of capital expenditure on the Slum in terms of an agreement with Augu- linited and, cortain of its associated con- qual to the after-tax cost of such capit	ner and Jack Proje	or taxamen allowant		Yield—kg/t Production—kg Afrikander Lease area Tons treated—000's	177 937 	0.24 206 388 	790 442 20	July 31 1980 South Lease in (Included in above figures)			97 11	4.3 0.7	1 81	1.40	159.63
	rom profit. This effectively results in intribution to shareholders.	no change in t	the profit available	201	Yield—kg/t Production—kg PRICE RECEIVED ON GOLD SALES Total	13 132	= .		Vaai reef July 31 1981 . July 31 1980 DIVIDEND	R14 500	0 96 9 79	986 13	3.7 16.1	3 2 037 0 2 031 4 2 153	0.49 0.46	67.20 67.09 61.19
	the Interim dividend of 60 capts a share 982 was declared on October 22 11 to the period of 1981 and was paid on December 6 19				—Rikg —Sloz FINANCIAL RESULTS Total Gold—revenue	422 ··· R000 228 134	245 449	12 916 459 - * R000 950 293 358 877	Details of the di are as follows:			. Div	f the year idend No. (Interim) July 25 19	5 0 D	Cember 3 ividend A (Fina quary 21	(o. 57
i ta	inders placed and outstanding on capi ptailed R19 110 000 which includes an ad Jack Project. IMMER AND JACK PROJECT Construction of the foundations for the					98 734 129 400 20 852	95 176 149 273 8 775 (35)	591 415 42 524	Declared Per share Payable to memb Payment date CAPITAL EXPEN	ers register	red	. Septem	450 cents igust 7 19 ber 11 19	81 Feb 81 &	550 cc Fuery 12 Aarch 12	nts 1982 1982
4	IMMER AND JACK PROJECT the construction of the foundations for the less supply and erection of the main equity the South Deep shalt the building of the criter for the erection of the less to be commissioned at the eart of the shaft will be examined and	prinent have been play the winder house bolst has been play 1982, the processory reads	laced, te is pearing comp teed, it is platme after which the	letion for lower mable	Tribete profits Net sundry lacone Dividend from Southwal Holdings Limited —interin declared July 1951 —anal declared January 1952	8 996 3 359	8 070 4 823		Orders placed a totalled R36 295	nd outstand	ding on	capital C	TTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTTT		T DEET	~~~
1	he shaft to be commissioned for holsting the meantime by making use of a : 0 level is being excavated.	?. mall winder a los	ading station to s	ELAĮCS.	Barrary .	12 675 175 292	170 905		ADDITIONAL PR As previously rep commenced in O 22 000 tons of V treated.	ctober 198 7.C.R. gre,	nesioning 1 and ha originating	s now b				
-	anuary 22 1982	- н. г. ОРРЕ W. R.	NHEIMER) Din		Southwaal Holdings Limited The Afrikander Lease Limited Profit before exception and State's share	38 066 12 	39 804 13 131 089	158 152 50 	January 22 1982	· · · . ·	· .		D. A., E	or and on b THEREDGE R. LAWRIE		ne board Directors
	ELANDSRAND Elandsrand Gold Mining Company L				of profit Provision for taxation and State's share of profit Profit after taxation and State's share	43 518	55 103	218 482					· ·	• •	•	
	SUED CAPITAL: 96-615-825 shares of	·Quarter	Quarter Ye ended end ept. 1981 Dec.	er Jed 1981	Of profit Deficit Appropriation for capital expenditure	93 696	75 986	323 323 136 329 85 500	ANGL	O A P4	Ebic	AN 4	CUBE	OPAT		$\overline{}$
1 2	Mes mined—m2 000's	66 312 4.25 7 326	4 17	256 1 2 1 4	Divident—Interim —had Retained profit for the year			794	Ol	F SOU	TH A					
١	ORE MINES INTERPOLATION OF THE PROPERTY OF T	259.52 54.92 12 922	12 615 1	50.17 1 704 .	Capital expenditure	46 879. R000	R000	136.613 : R000	NOTES 1. ORE RE At July		•		·.	فسما		_
ļ	oid—Risg —Goz INANCIAL RESULTS old—revenue —costs	13 142 423 - R000 17 388 17 135	421 2000	457 R000 7 536	tae company and its wholly-owned sub- sidiary Western Reets Exploration and Development Company Limited	93 712	<u>75 910</u>	323 502	and, in	31 1981 i a gold _l the case	of Vaal	R12 000 Recfs	(1980:	R 12 000)	a kilog:	ram
11	—profit	233 1 832 2 065	491 2 193	5 629 5 132 9 751	North Lease area Goldrevenue	119 044 64 833 54 211 9 774	71 319 4 843	516 550 236 217 280 333 22 200	which re their co	nposite particles of the property of the prope	ay umit sales in	taking that the 1982.	account e compar Also show	of a ura nies will yn ar tha	nium p: Feceive It data	for
ء اا	rotti apital expenditure AAFT SINKRING ub-vertical rock/ventilation shaft:	9 921		120	uranium code profit Acid profit (loss) Tribate profit	2 834 66 819	79 486	12 266 314 799	price of ore rese	rve tonna R)4500 erves to	ges estin a kilogra gold prid	nated a	t pay lim ndicaté ti	iits based he consiti	on a g	old

SOUTHVAAL HOLDINGS LIMITED and THE AFRIKANDER LEASE LIMITED

21 736

244 1 332

69 212

18.55

59.8

57.7

H. F. OPPENHEIME

W. R. LAWRIE

1 530

1 109

833

The attention of shareholders of these companies is directed to the report of Vaal Reefs Exploration and Mining Company Limited: ore reserve tonnages estimated at pay limits based on a sold price of R14500 a kilogram to indicate the sensitivity of the ore reserves to gold price variations. For this exercise the uranium price was held constant.

DIVIDENDS

47 466

433 662. 122 577

350-295

56 915

287 550

. 13 287

111 335 33 381

77 954 4 860 4 711

87 525

13 738

243 1 175

72 369

Attention is directed to an announcement published in confunction herewith, relating to the declaration on Thursday, January 21 1982, of final dividends for the year ended December 31 1981.

DEVELOPMENT Development values represent actual results of sampling, no allowances having been made for adjustments necessary in estimating ore reserves. The Orange Free State Group's results appear on another page in this newspener.

offices of the Transfer Secretaries. Charter Consolidated P.L.C., P.O. Box 102, Charter House, Park Street, Ashjord, Kent, TN24 8EQ.

Copies of these reports will be available on request from the

LONDON OFFICE: 40 HOLBORN VIADUCT, ECIP 1AJ

EUROPEAN OPTIONS EXCHANGE



Gold mining companies administered by Anglo American Corporation

Orange Free State Reports of quarter el

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WESTE Western Holdin			LDIN	VGS	-	•		PRESIC President Steyn and its wholly-c	n Gold Min	lining Com	mpany Lin	imited.	ompany L	imited		FREE ST	Advance		channel witch	Sampled gold	ed	uraniu	ten ten.kg/t
ISSUED CAPITAL: Figures stated in actuals for the to the year ended S the basis that the	respect of emplex. How September 1	f the quarte swaver. to s	rters ended o enable co- re begn sys in effect fo	ed Detember comparisons synthesisod u for a full 1	us to profi 12 months.	ade the res ofit before s.	1981 are esults lor e tax on	ISSUED CAPITAL:		180 shares	9	ents each Quarter endect Jec. 1981	Quarter ended Sept. 198	1	Year	Leader reef No. 1 No. 2 No. 4 No. 7	met es 295 233	240	chamnel witch cm 175.9 275 4 135.5 26.0				
the basis that the OPERATING RESU	e complex hi	had been in	ir erest to	Quarter ended Dec. 1981	Quarte ended Sept. 198	s. rter d t 981 Sep	Year ended ept. 1981	GOLD Area mined—m2 Tons milled 000s Yield—n2	2 000s			171 907 6.96 6.316	96 6 4 6 20	82 967 42	734 3 859 6.35 24 503	Quarter ended December 1981 Quarter onded Saptember 1981 Year ended	1 442 1 260	876 686	167.9 144.9	2.63	442 467	0.10 0.11	15.67
GGLD A :a mines — m Tens milled GGO: Yield — a	000's			358 1 922 4.98 9 564 210.22 39,16	1 97 5.1 70 18 200 2	5.16 185 120	1 475 7 902 5.45 43 939 175.76 32.82	Cost—R m; mined —R/ton milled —R/kg product	edied		::	6.96 6 316 248-37 46 83 6 725	6 4 6 20 225.7 42.4 6 61	42 209 .71 .48	6.35 24 \$03 205.05	September 1981 Year ended September 1981 Kumberley reef.	5411	- 686 3 030 76 6	144.3 145.0 186.1 82.7	3.22 2.82 3.85 0.10	409 717 8	0.10 0.02 0.01	14.12 4.41 0.65
Production—17 Cost—R m; miner —R ton miller —R to produ JMS 15st cummary St me, delivered Tons 000 s				210,22	200 38. 7 4 2 22	1 20 5.27 411	175.76 32.82 6 025	JMS (See Sumary) Slimes delivered Head grade Tons DDOs Head grade				2 874	2 91		10 119	Quarter ended December 1981 Quarter ended September 1981	96 900 914	82 136	178-5 192-8	3.73 6.87	66 5 1 325	0.02	4.13 12.10
Ton: 090 s Head grade 90'd—gra- um—kg4 sulphu-—per ci PRICE RECEIVED	 cent			0.42 9.11 0.81	0.1 0.1 0.1	0.44 0.12 0.80	8 61 1 0.43 9 12 0.83	Head grade gold—git uranum—kgit suiphur—per cer PRICE RECEIVED	cent	ES	:::	0.64 0.09 0.83	0.6 C.0 O.8	.60 .08 .81	0.57 0.08 0.60	September 1981 Year ended	2 552 ter two metro	784 fires were de developed on	194.2 developed of on the Base	3.35 on the Eish sai reef in 1	650	0.05	9.02
PRICE RECEIVED Golf—R: 9	ON SALES	ES	::: ::: 1	13 200 425 R000 125 822	12 54 41 R01 130 54	540 413 000 548	13 516 517 R000 583 700	PRICE RECEIVED Gold—Rikg —Voz FINANCIAL RESUI Gold—revenue —costs	ULTS			13 168 424 8000 82 652 42 472	12 76 42 80 61 41 07	122 000 15	13 571 519 R000 332 677 150 507	Western Holdings. DIVIDEND The final dividend was declared on O and was paid on	d of 245 cent October 22 in December	ents a share I 1981 payal r 17 1981.	e in respect Pable to me				
Gold—revenue —costs —arote IMS prife class Net sundry incom	me		··· ·			548 476	259 304 324 396 4 372 22 2:3	prefit JMS profit Not sundry income	Me	State's share		40 180 \$ 727 4 426	41 07 59 53 5 26 2 65	779 536 262 658	182 170 14 544 15 178	CAPITAL EXPEND	NDITURE CO	COMMITMEN	ENTS	racts as at		31 1981	1 totalled
Profit helore taxal of profit Provision for taxa of profit	ation and Si ration and S	State's shar State' shar	iare	5 759 56 796 19 171		672	350 921	Profit belore taxes of profit Provision for taxes of profit Profit after taxes	kation and S kation and S	State's shar State's shar State's shar	lare	50 333 20 292	47 48	79 .	211 B92 96 264	January 22 1982	τ			6	r and no be G. LANGTO G. S. YOUN	ON Į	the board Directors
Profit after taxati of profit Affectives the agit moreons of oper			Aare .	37 625	102 5	\$2 4		Deduct: Appropriation for Dividend—interim	r capital exp	expenditure .	····	30 041	27 90	<u>=07</u>	115 628 41 553 39 329 35 688		-						2
Capital expenditure Capital expenditure for the develor State Saciolass Limited and V	erations re nurchase cr soment asset Gold Minin Welkom Go	considerations of Fre	Free 140y	18 194	138 053	, 5**		Decrease in retain Capital expenditur SHAFT SINKING	uned profit .	······	::: 	12 548	11 14	41	39 329 35 688 942 37 885	PRESI							
	Welkom Ge led Advance	Galg Minin	Channel			uraniu		SHAFT SINKING No 4 sut-vertical Advance—metres Depth to date—m Station cutting—m	a al shaft syste s -metres	item		12 548 56.5 1 233.8 147.5		7.0	37 885 20 1 177-2 2 057-4	T TOURS OF THE STATE		•	of stock of		Quart	đ	Year exted
Moldings division Estal reet No. 2	metres 947	metres 54 58	21 1 54.0	9 t 184 74 78 13	cm.g t 3 898 4 219	89/t 0.63 0 17	13.30 9 18		Adrance metres	·	channel	Samples 1 zold	led ·	· Urani		OPERATING RES				ended Dec. 1981	Quarte ended Sept. 19	đ	ended Sept. 1981
No. 1 No. 2 No. 3 No. 4 Quarter ended December 1981			54.0 30.9 7.8	784 74 78 13 80.16 336,80		0.63 0 17 0 28 3 35	9 18 8 76 26 16	Shaft area Basal reel	metres	me•:es	channe) width cm		cm.g.t	ks i		Area mined—m: Tons milled 000 Yield—g't Production—Lg Cost—Rint mile —Riton mile	ned			150 815 7.62 6 208 244.00 44.91	7. 6 5	162 845 7.8. 595 3 25 2.80	622 3 344 8.15 27 397 211.62 39.38
December 1981 Cuarter ended September 1981 Year ended	6 430	696 776 2 968 456	24.9 31.5 34.7 151.7	123.62 65 36	3 894 2 372	0.59 0.44 0.31 0.15	13 81	Shaft area Basal reel No. 1 No. 2 No. 2 Video lease area	785 577 24^2 1 042	126 20 436 158	12.2 57.3 62.3	90 74 26 74 18 75	1 107 1 532 1 168 2 138	0.87 0.71 0.18 0.08	11.09	Cost—Rimi mine —Riton mile —Rito mode —Rito prod JMS ("en imma Siumes delivered Tons 000's Herri grade	red elled oduced nary) d			244.00 44.91 5 896	223 42. 5 4	3 25 2.80 484 389	211.62 39.36 4 804 2 125
No. 2 No. 2 No. 3 No. 4	955 1 741 505 123	456 544 106 18	151.7 126.9 228.5 15.7	3.78 3.92 2.46 13 63	574 49 8 562 214	0 15 3.15 0.08 0.53	23.18 18.88 18.70 8.33	Quarter ended Becember 1981 Quarter ended September 1981	1 042 	155 800 698	106 4 59.2 78.9		2 188 1 364 1 905	0.08 0.19 0.13	11.29	Herr grade gold-gr uranium-lgr sulphur-per c	t cent		:::	473 0.88 0.16 0.85	0	389 0.92 0.15 0.93	2 12: 6.8: 0.1(0.8)
	3 232 13 030	1 124 1 186 5 070	144.8 136.3 130.7	3.66 3.48 3.40	530 474 444	0.14 0.12 0.12	20 44 15.19 16 10	September 1981 Year inded September 1981 Leader regi No. 1 No. 2	23 175 62 f 57 l	5 303 2 16 344	78.9 61.3 55.1 127.0	24.14 23.97 10.27 4.49	1 905 1 943 - 566 570	0.13 0.20 0.34 0.13	14.94 15.69 13.56 23.67	Gold—Ritg				13 203 425 R000 82 249	R0 84 9	483 413 5000	13 637 519 ROOG 371 987
September 1981 Euring the quarte tribute to and de Welkem division Basal reef	ter 24 metro leveloped by	tres were d by Free Stat	developed tate Geduid	d on the Balld. There t	Basal roel i were no sa	in the are sampling re	res under results.	No. 2 No. 4 Video' lease area	24 64				566 570 940 451	0.34 0.19 0.27 0.07	13 56 23 67 30.75 8.61	Gold—revenue —costs —profit IMS profit Net sundry Inco	come /expend	nditure)		82 249 36 600 45 649 5 436 1 341	84 9 36 1 48 7	930 167	371 987 131 626 240 361 23 391
No. 1 No. 2 No. 3	1 160 1 085 298	248 102 —	11.1 33.9 —	96.31 31 74 —	1 069 1 076 -	1 64 0.58 —	18.15 19.61	December 1981 Quarter ended September 1981 Year ended September 1981	1 250 1 315 5 347	640 740 2 990	102.6 127.2 131.6	5.58 4.14 3.87	572 526 509	0.20 0.16 0.17	20.89	Net sundry Inco Divided: from Formany Limi Profit before tax; of profit Provision for tax	We'kom (Mi'ed axation and (nditure) Gold Mini State's sha	ning hare	 52 426	60 S4	327 540	6 327
Ouarter ended December 1981 Cuarter ended Sestember 1981 Year ended Scotember 1981	2 543 2 832 12 480	350 56 1 278	17.7 10.4 13.6	60.57 216.35 68.48	1 071 2 250 945	1.05 4.58 1.15	18.57 47 64 15.87	Septomber 1981 "A" reef No. 1 No. 2	5 347 1 6/5 1 696	2 990 783 382	131.6 61.1 47.2				22.94 8.53	Provision for tax of profit Profit after taxa of profit	eation and	State' sha	hare	25 356 27 870	23 2	261	123 043 145 622
Year ended Scotember 1981 "A" reef No. 2 No. 3	12 480 66 30	1 278 58	13.6 168 7	58,48 1. <u>73</u>	945 2 <u>91</u>	1.15 0.04	15.87 7. <u>24</u>	Quarter ended December 1981 -Quarier coded Sectember 1981 Year coded	=	670 542	53.1 58.6	7.57 12.37	402 725	0.18 0.22	12.85	Appropriation for Dividend — interim — final Retained profit f	for the yea		:::	-	- -	. •	61 978 41 418 42 120 1 106
Occember 1981 Cuarter ended September 1981 Year ended September 1981	96 78 226	58 32 32	168.7 176.3	1.73 1.47 1.47	291 260 .260	0.04 0.03 0.03	7.24 5.75 5.75	Year ended Leptember 1981 Area under .ribute to and developed President Brand inot included abov	1 718 ute d ry	54 <i>2</i> 2 860	58.6 49.9	12.37 13.61	725 679	0.22 0.29		Capital expenditur	ture:			7 853 417	13 5 1 4	564 468	1 106 49 201 6 225
Sertember 1981 Lorder reef No. 1 No. 2 No. 3	226 200 359 1 075	32 194 130 332	176.3 231.8 45.7 174,4	0.53 6.57 2.34	.260 .124 .320 408	0.03 0.09 0.42 0.18	5.75 21.42 20.49 31 44	inot included abov Shalt area Basal reet Quarter ended December 1981 - Quarter ended	440	24		172.37	3 413	1.01	20.01	SHAFT SINKING No 5 shalt - Advance—metres Depth to date—m Station cutting—	e			304.6 786.8 63.3	482	25.4 12.2 9.6	421.9 482.3 18.9
Quarter ended December 1981 Quarter ended Scotember 1981 Year ended September 1981	1 634 1 780 5 216	656 676 2 064	166.4 154.0 137.1			0.16 0.13 0.14		Quarter cuded September 1981 Year ended September 1981 Leader ree! Quarter ended December 1981	552 1 542	116	22.7	104 14	2 364 5 2 010	0.55 0.61	12.48 1 11.96	DEVELOPMENT			channel	Sample	fed	uranit	·
September 1981 Intermediate	s 216	∠ 064	137.1	2.47	339	Q.14	19,46	Quarter ended December 1981 Quarter ended September 1981 Year ended September 1981		14 102 212	30.9 122.0 105.0	5.50 9.43 6.51	170 1 151 684	0.15 0.20 0.14	24.82	Shuft area Basal reef No. 1	metres		width cm	git	cm.g/t	kg/t	cm.kg/t
ree! No. 2 Quarter ended December 1981	77	_	_	-	_	_	_	DIVIDEND The Anal dividend 1981 was declare 6 1961 and was	end of 245 c red on Octob is paid on P	cents a sha The 22 198 Pecember 1	bare in tes 961 payable 11 1981.	espect of the	the year end	nded Senta	atember 30	No. 1 No. 2 No. 3 No. 4 Quarter ended	3 3 3 5 6	16 155	51.9 14.3 148.8	40.56 68.74 11.42	2 105 983 1 699	0.19 0.39 0.03	9.68 5.55 4.83
Quarter ended September 1981 Year ended September 1981	1 108	94 254	194.6	0.31	57	0.08 0.10	15.43 17.77		NEITURE CO	COMMITMEN Lecompor 1,	11 1981. L nts	Itracts as at		r 31 1981	81 totalled	Quarter ended December 1981 Quarter ended September 1981 Year ended Septembor 1981	1 7428	660	97.3 101.2 91.9	19.02 19.86 · 20.66	1 851 2 010 1 899	0.07 0.06 0.08	7.11 8.37 7.41
" 5 " reef No. 1 No. 2	73 38	42	221.8 185.3	0.41 0.30	92 55	0.04 0.05	9.55 8.35	January 22 1982	٨				of and on be D, A. ETHER G. S., Yo	REDGE	Directors	September 1981 Leader rect	. 696 148 1412	250 76 320	91.9 · 131.4 55.5 114.3 126.1	20.56 2.61 8.16 6.00 2.97	1 899 343 451 586 374	0.08 0.14 0.17 0.06	7.41 6.30 7.61 19.86 8.03
December 1981 Quarter ended September 1981 Year ended		50 92	220.5	0.32	79	0.04 0.04	8.54	January 22 1982 FREE S		ري عار م	Elsa.	45 B.			•	Quarter ended December 1981 Outlier ended	225	196 	126.1	4.28	490	0.06	11.98
Year ended Septomber 1981 Samplass division Bandi rect No. 2	. 840 . E030	160 194 802	103.0	1.83	188	0.05 0.13 0.35	13.34	Free State Ged	o de Eluba	र,'कल्प्त	ન				-		1 2 546 1 9 440	1 G24 3 296 152	118.8 116.5 44.3 66.6	4.02 4.53 4.02 5.29	477 528 178 352	0.11 0.13 0.05 0.22	13.66 15.07 2.20 14.63
Quarter ended December 1981 Quarte: ended	5 030	996	58.3	5 16.71 	1 091	0.35	19.24	ISSUED CAPITAL		000 sharei	•	Cents each Quarter ended Doc. 1981	Quart ended Sept. : 9	d	Year ended Sept. 1981	No. 3 Ovarier ended December 1981 Ovarier ended September 1981	436	192		4.85 9.45		0.16	
Quarte: ended September 1981 Year ended September 1981	1 8777	1 104	67.5	5 12.87	870	0.26	17.63	OPERATING RES	n2 000s .	****		144 735	Sept. 19	981 S 155 795	Sept. 1981 555 2 978	Quarter ended September 1981 Year ended September 1981 In addition, area under tribute fro President Steyn	1 341 i1 768 es	156	56.3 71.0	9.45	551 578	0.34	19.97 27.57
Leader reef No. 2 Oparter onded Occember 1981 Cuarter ended Scatember 1981	1 1072		110.3		376	0.13	14.10	Tons milled 000: Yield—g/t Production—kg Cost—R/m2 mine —R/m0 mill —R/kg prod	ined			735 9.20 6 762 254.19 56.25 6 114	7 8 7 0 241 47	795 8.82 1.94 7.18 348		under tribute ra President Steyn Basal reef No. 2 No. 3		10	12.8 24.9	209.77 157.99	2 683 3 934	1.75 0.73	22.46 18.26
Cuarter ended Scatember 1981 Year ended September 1981 There was no de	1 4 634	1 026	102.3	3 3.42	150			Silmes delivered Tons 000s Head grade			.	6 114 637 8.47 0.09	. 53 . 5	948 0.55 0.09	2 518 0.50 0 09	Shaft area Quarter ended December 1981 Quarter ended September 1981	1 552	116	22.7	104.14	3 413 2 364	1.01 0.55	20.01 12.48
ERFDEEL DIVIS	SION 12ve shown (that to or	optimise th Erideel/Dank	the return o	and for te			Branton—kg/t sulphur—ber co PRICE RECEIVEL Gold—R/kg	cent	LLES	::: : . .	0.09 1.02	12 2	0.98 248 404	0 09 0.96 13 752	September 1981 Year ended September 1981 Leader reel No. 3 Quarter ended December 1981	1 1 542	168 14	19.7 30.9	104.14 102.03 5.50 5.50	2 364 2 010 170 170	0.55 0.61 0.15 0.15	12.48 11.96 4.70 4.70
100 000 tons to the scope, cleared increase to cont	to 225 000 er definition nangency all	tons mile in of the s liowance.	project. 4	month. Taki	iking into ac	account the	MG INCLARED	FINANCIAL RESI	ESULTS		· · · · · · · · · · · · · · · · · · ·	427 R000 91 799 41 541 50 458	R0 89 2 37 3	404 R000 1457 510	536 Roon 379 883 136 64 1	December 1981 Orgalize ender! September 1981 Year orded September 1981	1 346	102	122.0	5.50 9.43 8.51	170 1 151 684	0.15 0.20 0.14	4.70 24.82 14.75
SHAFT SINKING Main shaft The pro-sink his satisfactorily, He	iG has been co leadgear stee	completed and	and the	s sliding of ling is sched	of the head eduled to sta	idgear is t itart in mid-	proceeding id-March.	JMS profit Net sundry income Profit before tax of profit	come	d State's shu	share	1 146 3 982 55 586	56 2	658 825 213	5 929 10 687 259 858	2 7 DIVIDEND - The final dividend 1951 was declare 5 1981 and was p	nd of 300 cer pred on Octob paid on Dec	cepts a unit o tober 22 198 lecember 11	1 1981.	respect of to membe	f the year e ers registere	nded Sept ed on Nov	tember 30 wamber 6
Satisfactories, ne Ventilation shaft Sinking has com	mmenced and	ng reached (share in r	of 78.8 med	netred as at 1	December	r 31 1981.	Provision for tax	axation and	d State's shi	share share	55 556 18 654 36 932	150	176	259 858 98 501 161 357	5 1981 and was p 1 CAPITAL EXPEN - Orders placed an	ENDITURE C	COMMITME	I ISBI. IENTS	tracts as at ect of the me	rt December motalisingical	31 1981 Comolex	11 totalied
6 1981 and was	as paid on E	December	r 11 1981.	1.				Appropriation for Dividenci—final	for capital er	expenditure	• ::::				96 994 38 105 25 578	6 5 Janu ary 22 1 98 :		·	-	For D. A.	or and on be A. ETHERED G. S. YOU	behalf of t	
Orders placed a R28 095 000.		on	69 سر			on behalf of	of the board	Retained profit for Capital expenditules Tonnage milled a Gold Mine o	for the year iture I and troated on a cost	ar	elkom ervice	22 547 —		407	679 95 240 104 500			_					<u>.</u> .
Janu ary 22 198	,dZ							SHAFT SINKING No. 5 main shaft Advance—metres	on a cost	at plus serv	::::	1 831.5	_	_		AN	NGLO A	AMERI SOUTH					
			-نسينسي					Advance-metres	res			1 831.5 90.2	< 1 t	11.8 148.5	1 831.8 979.9	NOTE DEVELOPM	MENT				•		
								DEVELOPMENT	T Advance metres	_					ankutti	Developme allowances estimating	ent values s having g ore res	been π eserves.	made fo	for adjust	stments n	necessary	ry in
THIOL	NETAL	LUR	(GICA	\L SC	HEME	E		Shaft ares Basal reef	metres	s mėpes	width	th git	cm.g/t	kgit	t cm.kg/t	The Trans Copies of	nsvaal Gr f these rej	Toup's re this eports wil	is newspo rill be a v	oaper. vailable o	on reque		- 1
.= • •		•	·	Quarter raded Dec. 1961	er Qua	uarter	Year ended Sept. 1981	Besal reef No. 1 No. 2 No. 4	. 2 SB7	7 304 7 225	19.2 74.0	2 60.57 0 75.51 3 24.83	1 163 5 558 653	0.46 0.74 0.39 0.51	4 14.23 9 29.12 1 13.42	Charter C	office: Consolidat Park St	es of the lated P.L. Street, As	e Transf L.C., P.O. Ishford, I	fer Secre O. Box 10 Kent, TN	re taries. 102, Char N24 8EQ.	nter Ho	louse,
SUMMARY O Pyrite flots Slimes		TS		Dec. 1981	06 4 591	91 000 1	18 649 000	No. 5 No. 7 No. 9 Philippi No. 414	2 307 1 786	7 176 5 174	23.8	8 23.95	570	0.51 0.63 2.58	3 14.97	LONDO	ON OFFIC						a [
on Desnum D				1 529 000	v 1 55.	52 000 68 000	6 166 000 437 000	00	440	· –	-	<i>-</i>	-	~	-		:						

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	Advance met es	metres	channel witch	90		uraniu	m can.kg/t	HOOG P	F.17.50 F.90	5 64	2,50 5,50 3,30	-	9,) <u></u>		F.88
.:	295 233 914	240 140 488 8	175.9 275 4 135.5 26.0	git 2.73 2.12 2.86 3.77	481 584 388 98	0.11	18.51 29.72 12.22 4.05	KLM C KLM C KLM P KLM P KLM P NEDL C	F.100 F.110 F.120 F.80 F.90 F.140 F.160	43 7 16 10 22 14	8,10 0,90 1,20 5	- 6 - 19	1 9 5			F103
81	1 442	876	167.9	2.63	442	0.10	15.57	NEDL C NEDL P NATN C PHIL C	F.130 F.110 F.17.50	20	8	74	8 5.50 4,90			F.108.70
B1	1 260 .	686	144.9	3.22	467	0.11	16.61	PHILC	F.20	837 937	2,50 0,90	115 241	1.10	107	1.78	
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:: :-	804 96	76 —	186.1 82.7	3.85 0.10	717 ———	0.02 0.01	4.41 0.65	PHIL P PHIL P	F.20 F.22.50 F.25 F.80	40 215 5 48	0.30. 1 2.90 5.20	14		36 9	1.60 7.60	F.S.I.60
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81	914	136	192-8	. 6.87	1 325	0.05	12.10	RD O	F.100 F.80	20	0.50		9.80 1	15	47	4 -
81 sarter	2 552 two meta	784 Et W070	194.2 developed	3.35 on the f	650 Ostvog reef i	0.05 u the No.	9.08 1 shaft	RD P UNIL C	F.90 F.130	17 30	8,60 E	1 =		Ξ	# Œ:	F.154.50

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ter 5 961 :	Year ended Sept. 1981									
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7.& <u>.</u> 595	8.19 27 397	}	Ex'reise	} -	- ; ;	Closing		Closing	Vol.	Equity
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413	519	Cons. Gld (c) . 500 x 650	18	15	27		20	3)) H
000 930 167	R000 371 987 131 626	Cons. Gid (p)	420 460	10 25	=	16	1 1	52	2	1
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457 013	(414)	Ctids. (c) GEC (c)	800.	7 55	13 23	77	15 1	100	10	832p
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	61 978	Gr'd Met. (c) Gr'd Met. (p)	160	4	5 10	41 ₂		15	2 =	7 m/A
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	٠. ا	iCi (p) Land Sec. (c)		11	-15	40 . 28	Ξ.	48~	. 5	297p
5.4 2.2	421.9 482.2 18.9	Land Sec. (c) Land Sec. (c)	530	44	· 10	35 47	15	1-2	, , − ,	189p
9.6 -	18.9	Mks & Sp. (c) Mks & Sp. (c) Mks. & Sp. (c)	110	54 14 to	17	57 20		23	- 1	,,,
		Mks & Sp.(c) Shell (c)	1	88	30 4	11	30	1319	: 20	578p
uran		Shell (c) Shell (c)	360 390	34 16	1	44 22	411	48 30	: <u> </u>	, p
kg/t	cm.kg/t	Shell (p) Shell (p)	360 420	50	57	20 56	37	26	} <u> </u>	# #
		Paradaya (a)		ebruary	. 3	. M	lay -	- Au	gust I	i456p
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1.75 0.73	22.46 18.26	0	≃Call .	<u>.</u> . •	· . '	· · · · ·	**	Put		
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ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

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WELKOM GOLD MINING COMPANY LIMITED The attention of shareholders is directed to the report of Western Holdings Limited.

118,800 in 3.5% Cumulative Preference Shares _118,800 · of £1 each 1.381,200 in Ordinary Shares of 25p each 1,018,888 £1,500,000 £1,137,688 The whole of the issued share capital of Cambrian & General Securities n.l.c. has been re-admitted to the Official Listand dealings will recommence on Monday 25th January, 1982. Copies of a Circular Letter relating to a proposed reorganisation including a reconstitution of share capital involving a capitalisation issue, a rights issue and additional subsequences of new capital, and the adoption of a new investment policy, coupled with an the adoption of a new investment policy, coupled with an arrangement enabling shareholders to self-life it shares at not asset value as at 12th February, 1982, are available during usual business hours (Sahurdays and Public Holidays encoupled) between 22nd. January and 15th February, both dates during from Cazenove & Co., 12 Tokenhouse Yard, London 5C28, 7AN. Subsequent to restoration of the Listing and recommencement of dealings, a statement of net asset value will be available on a daily best up to 12th February, 1982 from Cazeniase & Co. at the above address.

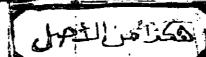
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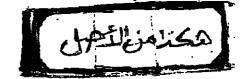
CAMBRIAN & GENERAL SECURITIES P.LC. Incorporated under the Companies Acts 1908 to 1917 No. 150010

SHARE CAPITAL

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for or purchase any securities.





Companies and Markets INTERNATIONAL COMPANIES and FINANCE

\$1.15bn of new issues as Eurodollar bonds gain

A FLOOD of new bonds stalling \$1.15th his the Europellar market yesterday at polices of fixed interest bonds gained half a point on the day.

Of the new issues three were zero coupon bonds—for Sears Roebuck, Beatrice, Foods, and Xerox Corporation. The nominal value of sheet three came to \$800m, but the transciptes.

to \$800m, but the immediate funds ressed will total \$201.66m.
There were also fixed interest bonds for Japan Development Bank, Hydro-Quebec, and Astea intalling \$250m. There was also a \$100m floating rate note for Toronto Dominion Bank.

The Sears \$300m zero coupon bond was priced at 24.72 to yield 15 per cent on an annual basis. The 10-year offering is managed by Dean Witter Reynolds and Daiwa Securities.

The \$250m Beatrice Foods zero coupon paper is priced at at 16 per cent through Morgan

CSR close to

completion of

non-recourse debt and the other with limited recourse to-

CSR should Delhi be unable to

The two parts will be of equal size when the financing starts but will be of variable ratio through the life of the

service the loan.

\$800m loan

By Our Financial Staff

Lynch. The \$250m zero coupon issue The \$250m zero coupon assue from Xerox Credit is priced at 251 to yield 14.65 per cent and is also for 10 years. Managers are Salomon Goldman Sachs and Nomara. The best quality issue of the day was the \$50m five year

paper for Japan Development Bank, guaranteed by Japan Although the coupon is only 151 per cent this issue should sell out quickly on scarcity. value. In is being led by Paribas.

The Hydro-Quebec offer is \$100m at 16f per cent for six years through Credit Suisse First Boston. The price is par and there are no call features. Astra, the Mexican retail subsidiary of K mart of the U.S., is selling \$100m of 10-year paper Stanley. The bonds may be life. The yield comes to 14.65 called back in 1989 at 1011, per cent and managers are Toronto Dominion's \$100m

Salomon Brothers and Merrill 10-year floating rate notes carry a margin of 1 per cent above six-month Libor and a 5 per cent minimum coupon. Leadmanager is Morgan Stanley.

Yesterday's flurry of new issue activity in the Eurodollar market capped a week of new zero coupon bonds. These instruments, which can provide investors with large capital gains, are finding particular favour in Japan where tax laws allow for the gains.

Traders in the Euromarket acknowledge that significant portions of the zero coupon paper was being pre-placed in Japan and on the Continent, but that not all of the new paper was successful, Beneficial Over-seas Finance's issue, for example, has found the going

In the Euro Deutsche Mark sector yesterday's lowering of the special Lombard rate to 10 per cent gave rise to a cheer · Teronto Dominion's \$100m of among traders.

Swiss concerned by run of Japanese convertibles

BY OUR EUROMARKETS STAFF

CSR, the Australian sugar in Switzerland that too many and resources group, is near to completing a U.S.\$800m multi-Japanese convertible bonds are being offered in the Swiss franc foreign bond market. Yester-day saw the launch of three Swiss franc convertibles, for manager is Paribas Suisse.

Izumiya, the retail group, Ishi-day of the same of currency loan package to refinance its recent acquisition of Delhi International Oil Cor-Mr Gordon Jackson, CSR hara, the chemicals company, foreign bonds closed slightly general manager, said in Lonand TEAC, the audio equipment bigher last night, dealers were don the package would be in maker. two parts, one consisting of

The Izumiya SwFr 20m offer-The Izumiya SwFr 20m offering is for five years with a 6 once, the same fate which befelf per cent coupon. It is being placed privately through Swiss Volksbank.

Ishihara is also arranging a through a management group led by Banca del Gottardo, This, closure of the market last year.

THERE IS growing concern too, is a five-year paper with a 6 per cent coupon. TEAC is offering SwFr 25m

worried that if Japanese borrowers brought too many them in the Eurodellar bond market could be repeated. This was a reference to the heavy selling and the slumo in prices private placement of SwFr 50m of Japanese convertible dollar bonds which led to a temporary

837, 85 0 -01, 11.78;
78 794, 0 -01, 12.57;
817, 824, 0 +03, 11.01;
873, 824, +03, +03, 11.01;
874, 824, +03, +04, 11.48;
1013, 1013, +03, -03, 11.47;
1013, 1013, +03, -03, 11.53;
984, 985, +03, +03, 10.82;
974, 985, +04, -05, 10.82;
1013, 1014, 1017, 0 -04, 11.48;
1014, 1017, 0 -04, 11.48;
1014, 1017, 0 -04, 11.48;
1014, 1017, 0 -04, 11.48;
1014, 984, 995, 0 0 16.64;

FT INTERNATIONAL BOND SERVICE

M. Bk. Drmk. 9.91 EUA 25 83'2 85 SOFTE 84 89 EUA 40 78'2 82'4 N. Bk. Nwy. 9'2 90 EUA 18 91'2 82'4 Algemene Bk. 10'2 88 FI 60 97'3 98'2 1 Amtra Group 12'4 86 FI 40 102'3

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Bank Montreal 164 91	150	99%, 100%	+0% +0% 18	.22
Br. Colum. Hyd. 164 88	100	100% 101%	O' +O' 15	.95
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Can. Nat. Reil 145- 97	100	924 93	+0-, -0-, 16	.11
Catarpillar Fin. 163, 86			+0 0 15	
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CIBC 16% 91	100		-01 -01 16	
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Cons. Bathurst 175 88	: 60	Hitter Anna	+07, +07, 15	.02
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† Only one market maker supplied a price.

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Rockwell lifts profits but orders fall sharply

By Ian Hargreaves in New York ROCKWELL International, the U.S. industrial group, yesterday reported a 12 per

cent increase in earnings for the first quarter of its fiscal year, but also said it had suffered a sharp drop in its order backlog. Earnings were \$61.9m or 81 cents a share on sales of

\$1.62bn in the quarter, com-pared with \$55.4m or 73 cents

a share on sales of \$1.64bn in the corresponding period of the previous year.

A slackening of orders in the aerospace business, however, coupled with continued weakness in the automotive sector, gave the company a total orderbook of \$6.2bn at the end of December, down from \$7.2bn at the end of

backlog totalled \$3.8bn. Earlier this week, however, Rockwell formally received the first large contract, worth \$2.2bn for its work on the B-1 bomber and this figure is

1980. The funded part of this

not included Mr Robert Anderson, chairman, said that the higher earnings figure reflected better results from the automotive and electronics divisions and bigher interest income. Automotive's gain, however, was mainly a result of a special negative related to litigation in the 1981 first quarter. Electronics improved both margins and volume.

International Paper boosted by disposals

By Our Financial Staff

EARNINGS FROM operations fell sharply in the final quarter at International Paper, the U.S. group which ranks as the world's leading paper maker. However, a \$215m gain from the sale of its Canadian operations left net profits up at \$239.6m compared with \$77.3m pre-

Sales for the quarter were \$1.01bn against \$1.27bn, reflecting the disposal of the Canadian unit --- which accounted for roughly a fifth of revenues - and the de-pressed markets for much of the group's paper, packaging and wood products outputand particularly the latter.

Annual net earnings were swollen by the Canadian sale well as other earlier in the year, with the total ahead from \$314m to quarter and the year also included a \$12.5m charge for the phasing our of some wood products facilities.

Sales for the year \$4.98bn against \$5.04bn while at the per share level net profits were \$10.08 against \$5.97 after \$4.71, compared with \$1.43 a share, coming in the final quarter.

U.S. QUARTERLIES

ABBOTT LABORATOR	ES		l
	1981		l
Fourth quarter	. 648.7m	S 580.2m	ł
Revenue	74.29m	64.23m	ı
			j
Revanue	2.34bn	2,04bn	١
Net profits	. 247.3m	214,4m 1.73	1
APPLE COMPUTER	. 201		l
APPLE COMPOTER	1981-82	1980-81	ł
)
Revenue	. 133.5m	67.6m 7.42m	ļ
Revenue	6.24	0.14	
			ì
	1981-82	1980-81	l
First quarter Revenue	\$ 363.4-	S 246 2m	1
Revenua	202.4m 19.5m	17.2m	ı
Prist quarter Revenue Net profits	0.92	0.82	1
NORTHWEST BANCOR	₽		ŀ
	1981	1990 \$	Į
Fourth quarter Net profits Net per share	. 37.7m	30.8m	
	1,45	1.19	
Vent		116.7m	
Net profits Net per share	4.81	4.51	
MONTON CIMON			ŀ
Second quarter Revenue	1981-82	1980-81	l
Second quarter	820 Am	5 810.1m	١.
Net profits	25,63m	28,59m	١.
Net per share	0.77	0.81]
aux moords Revenue	1.61bn	1.6bn	
		30,39111	
Nay tier share	1.55	1.18	
PACIFIC LIGHTING	1961	1980	ı
Fourth quarter			l
Fourth quarter Revenue Net profits Net per share	1.01bn	833.1m 39.49m	٠,
Net profits	20.37M 0.71	39.496	
Year	9.46-	ا عدد	ŀ
Revenue	3.40n 123.1m	2.94bn 107.0m	
Net per share	4.52	4.04	1
PARKER HANNERN			j
	1981-82	1980-81	j
Second querter Revenue Vet profits	5 284.0m	S 250.0m	٠
Ver profits	11.4m	11.7m	ı
Vet per share Six months	0.46	0.52	
let profits	570.0m	501.0m	
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SLUMP IN DEMAND HITS ALUMINIUM GROUPS

Earnings slide at Alcoa and Alcan

THE SLUMP in world demand for aluminium, resulting from the international recession, has brought heavy falls in profits at the two major producers, Aluminum Company of America, and Montreal-based Alcan Aluminium.

Both companies disclosed that sales outside the North American market had been particularly hard hit. Alcoa, the largest aluminium

company in the U.S., reported that net income in the final quarter of 1981 was only a third of the previous year's level, bringing profits for the year as a whole down by 36 per cent. Mr W. H. Krome George, chairman, said that the down-

turn in demand had been especially noticeable in the final quarter. Alcoa's operating 1980. The only pocket of Effective tax rate for the year tonne capacity was reduced over the strength in the market was in was 36 per cent against 42 per 1980.

though part of this was attri- cans. butable to Alcoa's attempt to ... At recycle more aluminium rather than pròduce afresh.

Mr Krome George added that while aluminium shipments could improve in the first quarter of this year, "increasing costs and continuing pressure on prices will adversely affect profitability."

Alcoa's final quarter net income was \$32.3m or 42 cents a share, compared with \$102.9m or \$1.40 a share previously. For the whole of 1981, Alcoa earned \$296.2m or \$3.97 a share, down from \$469.9m or \$6.54 a share in 1980. Sales for the year fell \$100m to \$5bn.

Aluminium shipments were 1.53m tons, down from 1.66m in

year from 86 to 66 per cent, aluminium used for beverage cent in 1980.
though part of this was attricans.
Total volume of shipments At Alcan, reduced earnings

were attributed to lower demand and widespread price discounting, particularly in the market for ingots. The com-pany's European operations. mainly in the fabricating field, continued to show significant

For the whole of 1981, Alcan's consolidated net profit was U.S.\$264m, or \$3.24 a share, against \$542m, or \$6.70 a share in 1980. Sales and operating revenues were \$4.9bn against

In the fourth quarter, earnings were \$26m, or 32 cents a share, against \$125m, or \$1.54 per share a year earlier. Sales and operating revenues were \$1.1bn against \$1.3bn.

held up reasonably well in 1981, declining 3 per cent from 1980, Alcan said, but prices deterior-

ated steadily through the year, particularly for basic ingot. Alcan did not comment on the current first quarter of 1982, though analysts expect the

lower trend to continue through the first half. Alcan recently took steps to bring its European operation

into better shape, with changes in management.

Primary shipments of aluminium in all forms were 356,000 metric tonnes in the fourth quarter, against 385,000 tonnes a year earlier and for the full year 1.5m against 1.6m tonnes. Fabricated shipments for 1981 were just over 1m tonnes, around the same as in

Strong recovery at Monsanto

MONSANTO, the large U.S. to \$1.88 a share, into a profit with improved profits.

Net income was \$445.2m or said "good progress" had been \$11.50 a share, a threefold immade in 1981, with agricultural provement on the \$148.8m or products sales up strongly, and \$4.10 a share earned in 1980. The increase does, however, include a net gain of \$67.7m or \$1.75 a share that Monsanto obtained from the sale of its interest in a joint venture with

Sales for the whole year were up only marginally, from \$6.57bn to \$6.95bn.

Ethyl to buy

insurer

for \$270m

By Our Financial Staff

\$270m in cash and stock.

chemicals company which suf- of \$52m or \$1.25 a share. But fered a recessionary squeeze in sales were lower at \$1.56bn 1980, weathered the storm compared with \$1.66bn prebetter last year and ended up viously. Mr John Hanley, chairman,

good results seen in textiles and plastics and resins. The company's financial condition was also greatly improved. 9 Net earnings of Pfizer, the leading ethical drugs manufac-

turer, fell 13 per cent from \$253.9m or \$3.46 a share to \$221.3m or \$2.95 a share in fiscal 1981, despite an increase In the final quarter, Monsanto in sales from \$3.03bn to transformed a \$68m loss equal \$3.25bn.

Sales were drifting lower in the final quarter — \$822.5m against \$825.3m—but a \$10.8m gain from the exchange of sinking fund debentures boosted net earnings from \$64.1m to \$75.9m, or from 87 cents to \$1.00 a share for a gain of 18.4 per cent

The directors said that results from continuing operations were affected significantly by changes in exchange rates on the 50 per cent-plus share of sales usually chalked up outside the U.S.

Sales growth was reduced by about 5 per cent for 1981 and about 8 per cent in the final

Depressed fourth quarter result at Georgia-Pacific

BY OUR FINANCIAL STAFF

ETHYL CORPORATION, the chemicals, plastics and energyrelated products group, is to Pacific, the largest U.S. proecquire all the outstanding shares of First Colony Life ducer of softwood plywood, \$1.22bn ended 1981 with profits falling previously. even faster. Fourth-quarter Condition Insurance Company for about earnings tumbled 65 per cent, Ethyl said it would pay \$50 from \$64m or 61 cents a share in cash and one-half share of to \$22m or 21 cents a share. Ethyl convertible preferred stock for each of the 4m out-

stock for each of the 4m out-standing sheres of First Colony. from \$243m or \$2.33 a share construction

AFTER A depressing third to \$160m or \$1.51 a share. Sales quarter in which per share for the year totalled \$5.41bn, earnings were halved Georgia against \$5.01bn in 1980, with the final period producing \$1.22bn against \$1.31bn

Conditions in the fourth quarter were much the same as in the three preceeding Net earnings for the full months. High interest rates

American Airlines loss in final period

By Our Financial Staff

AMERICAN AIRLINES, the fourth largest U.S. carrier, ended 1981 in the black, despite a dive into losses in its final quarter, losses which are likely to continue in the early part of this year.

Net earnings for the year came to \$47.4m compared with the \$75.8m loss of the previous year. Annual operating income totalled \$72.2m, against the \$86.3m deficit of 1980, while for the final three months the operating loss widened dramatically from \$2,6m to \$34.8m.

The full year profit came after inclusion of a \$13.9m gain from the sale of tax benefits and a \$14.8m reduction in pension costs. In 1980 the loss came despite a \$73.4m gain from a debenture exchange and the sale of hotel interests, which was offset by a \$57m provision for losses on aircraft sales.

Rail group slump

Fourth-quarter earnings have slumped at Sante Fe Industries, which operates the Atchison, Topeka and Sante Fe Railway in the south-western and midwestern U.S. writes our Finan-cial Staff. Net profits for the period were only \$\$5.2m against 3103.9m in the corresponding 1930 period on sales of \$811.9m against \$827.1m previously.

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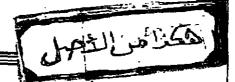
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BLYTH EASTMAN PAINE WEBBER

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January 19, 1982





Dr Herbert Culmann

Lufthansa faces row on top job

By Jonathan Carr in Bonn

THE SUPERVISORY board of airline, meets today amid sharp protests from employees who fear the company may gain a appointee as nev executive chairman.

Up for the election to the executive board is Herr Heinz Ruhnau, a state secretary at the Bonn Transport Ministry, wno has been the centre of a row within Lufthansa over the past few months. Herr Ruhnau's appointment to the board would be seen as a major step towards his succeeding Dr Herbert Culmann, aged 60, who has been executive chairman of Lufthansa since 1972.

At first sight it seems odd that the prospective appoint-ment of Herr Ruhnau has aroused such opposition. The Federal Government hold 75 per cent of the capital and there-fore, on the face of it, has a good claim to seeing one of its senior civil servants given the top job.

However, it has become increasingly clear that a pro-portion of Lufthansa employees -opinions differ widely on the exact number — do not see things that way. It is stressed that the company ideally should have someone who has been in flying for much of his life like Dr Culmann, a former wartime Luftwaffe pilot who has been with Lufthansa since its postwar foundation.

Opponents of Herr Ruhnau, a former interior affairs senator in Hamburg, also say that despite the state's big stake in achieved its good operating record without either interference or special benefits from Bonn. They say that Lufthansa has nonetheless often been charged by foreign competitors with being simply a "state airline", and that these accusa-tions would be much harder to disclaim if a Bonn state secre-

tary takes over at the top. As today's supervisory board meeting drew nearer. Herr Volker Hauff, the Transport Minister, issued a statement calling for "prudence" within Lufthansa and saying he believed Herr Ruhnau was fully qualified eventually to take over as head of the airline. It remains unclear when this might be. Dr Culmann's con-tract does not expire until 1984 and repeated rumours that he will step down prematurely on health grounds have not been confirmed

Further Lufthansa's performance is widely seen as satis-factory compared with that of other airlines in the current difficult market conditions. Thus, from this viewpoint too there seems to be no urgent need for a top management

Petrofina

In the Financial Times survey of Belgium, published on January 11, net earnings of BFr 2bn for 1980 were incorrectly attributed to Petrofina, the Belgian oil group. Petrofina's profits for that year were BFr 9.4bn.

Dutch see Estel-Hoesch break-up as inevitable

Dutch-West German steel group, Estel Hoesch-Hoogovens, appears inevitable after the latest West German Government proposals for Hoesch.

Bonn's desire to include a large part of Hoesch's steel processing operations in a new national steel combine, to be formed with Krupp, "removes the logic" for continuing the bi-national group, Estel said yesterday.

Talks between Hoesch and Krupp have made considerable progress in the past few weeks, after a difficult period at the end of last year, Eetel disclosed. Some details of the new steel

Estel's managing board is split over the decision by Hoesch to place no more orders for crude steel and semi-finished products with

Hoogovens, the Dutch arm of the bi-national company. The German members of Estel's managing board argue that the basis for this agreement has been removed, while the Dutch members insist that Hoesch should continue to take the

end of last year. Eetel disclosed. production to 86,000 tonnes of group is not a bit-national consome details of the new steel from 100,000 tonnes in the pany but its Enka fibres company, to be known as hope that a solution will be division has substantial Ruhrstahl, in which Krupp and found. The company may have German operations.

THE FINAL break-up of the Hoesch will each hold 50 per to extend short-time working if Dutch-West German steel cent, have still to be finalised, deliveries are not resumed, group. Estel Hoesch-Hoogovens, however. would, in the longer term, have "only a marginal impact on employment." Hoogovers at present has 8,100 of its 20,000 workforce working, at 80 per cent of capacity.

The break-up of Estel would end the last of the cross-border mergers established border between Dutch and German companies a decade ago. The 11-year old link between the two aircraft groups, Vereinigte Flugtechnische Werke and agreed minimum of 300,000 Flugtechnische Werke and tonnes a year. Fokker, was ended in 1980. Hoogovens has cut weekly Akzo, the Dutch chemicals

Rothschild angry at state terms

BY DAVID HOUSEGO IN PARIS

BANOUE ROTHSCHILD in terms shareholders would have Paris has taken badly the news received FFr 490m. that under the Government's new formula for compensation shareholders will be worse off than under the initial nationalisation Bill.

about FFr 197 a share puts a value on the bank of about FFr 412m (\$70m). At Rothschild it was said yesterday that this barely equals the value of its building in the Rue Laffitte, which has been independently estimated at between FFr 400m and FFr 450m. Under the Government's original payment

Banque Rothschild and Rhone-Poulenc are the two major exceptions to the general rule that companies and banks being nationalised have done much better - in some cases handsomely so—as a result of the Constitutional Council's partial rejection of the initial nationali-

sation Bill.

The disecrepancy is explained by the new formula being based on share prices over the sixmonth period October 1980-March 1981, compared with the three-year 1978-80 span on

which the original calculation was in part framed. Rhone Poulenc suffered a fall in its losses while Rothschild fell be cause of low profits.

The bank's attempts separate its banking and indussation came unstuck in the summer after government inter vention. Its non-hanking in-terests range from mining and energy to transport, tourism and Rothschild family interests hold 23 per cent of the bank's

Bastogi seeks partners to help recapitalisation

BY JAMES BUXTON IN ROME

BASTOGI, the Italian industrial and property group whose capital is to be written down by 65 per cent to cover heavy losses, is seeking new partners to help finance its subsequent recapitalisation.

Only when the company has been recapitalised can it implement the recovery programme which the board has already passed. Sig Luigi Santamaria, its chairman says. Bastogi last week announced

that its nominal capital was to

totally incurred in 1981. The announcement, which came after the Bastogi share price had to be suspended after a dramatic fall on the Milan Stock Exchange, said only that this would be followed by an "adequate" Sig Santamaria, says Bastogi

was hoping to announce the entry of new participants into the company when it holds its extraordinary general meeting in March. But he denied that the biggest single shareholder, be reduced from L263.7bn to Sig Carlo Pesentis Immobiliare L92.3bn (\$75m) to meet a total group, had any intention of deficit of L172.3bn, almost "abandoning" Bastogi.

VW appoints new finance chief BY OUR FINANCIAL STAFF

Herr Selowsky, aged 51, will be switching over to VW from Kloeckner - Humboldt - Deutz (KHD), the Cologne-based machinery and industrial equipment maker, where he was a board member and chief finance officer, At VW he suc-ceeds Herr Friedrich Thomee, who resigned after widespread

HERR ROLF SELOWSKY has criticism of the company's been appointed management acquisition of Triumph-Adler, board member in charge of an electronics and office equipment finances at Volkswagen, the West German motor company, heavy losses in the past two

Herr Thomee's resignation preceded the resignation of Herr Toni Schmuecker, VW chairman, and his replacement at the start of 1982 by Herr Carl Hahn, former chairman of Continental Gummi-Werke, West Germany's major rubber and tyre group.

Strong sales advance by Sandoz

By John Wide in Zurich

EARNINGS for Sandoz, the Swiss chemical group, showed a further increase last year despite "substantial exchange rate and valuation lesses" resulting from the strength of the franc in the final quarter.

However, the company stressed yesterday that the rate of profits growth in 1981 had been less than that attained by sales, which rose by just under 18 per cent to SwFr 5.8bi (\$3.2bn). In 1980 net profits were SwFr 202m. Pharmaceutical sales, which

include the first-quarter acqui-sition of Ex-Lax, made further 'satisfactory' progress, rising over the year by 15 per cent to SwFr 2.75bn, while a 12 per cent rise in dye sales to SwFr 1,38bn is considered satisfactory, given the continu-ing low level of economic activity and high degree of competition in most markets. Elsewhere, sales of agrochemicals went up 6 per cent

on a worldwide basis to SwFr 360m and turnover in the foods division rose by 19 per cent to SwFr 640m. A 56 per cent in man in turnover in the seeds division, also to SwFr 640m, is attributed largely to the acquisition in late 1980 of the Dutch com-

More bankruptcies in Johansson group BY WILLIAM DULLFORCE, NORDIC EDITOR, IN STOCKHOLM

owned by the Johansson ship-ping group have been declared bankrupt. But the creditors, which include several govern-ment institutions, have accepted a proposal for the reorganisation of the group and will put

in cash to keep financially healthy operations going.

Last week bankruptcy petitions were filed for the Johansson shipyards at Oskarshamn and Lödöse. At the same time

four key companies in the tightly interlocking family group suspended payments. Now three of these companies, Malaga, Walihamn and Skär-

MORE companies shamn Transport, have been magazine have a market value declared bankrupt and redund-ancy notices will go out to about 1,600 employees. With the help of the creditors,

however, it is hoped that the bulk of the Johansson business Ivan Lundberg, director of the can be saved and the loss of Gothenburg Bankruptry Adjobs restricted. The creditors ministration, said The creditors have asked that Mr Vilgot assume that the Johansson Johansson, one of the two brothers who built up the shipping and trading group on the island of Tjörn, off Gothenburg.

• The Johansson shippards are stays on as managing director, not the last remaining in stays on as managing director. oot the last remaining in The group operates a fleet of private hands, as reported on between 20 and 25 vessels, Tuesday. Five: other small which, according to Affars Swedish yards still operate as variden, the Stockholm business private enterprises.

of about SKr 1.3bn (\$235) The capital input required to reorganise the group would be less than the SKr 100m quoted by Swedish newspapers, Mr Per-

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OUEENSLAND ALUMINA LIMITED

US\$ 110,000,000 1981-1992 Term Loan

Kredietbank International Group

Westdeutsche Landesbank Girozentrale

The Sumitomo Bank of California

Funds provided by The Sumitomo Bank, Limited

Kredietbank N.V.



November 1981

Kredietbank N.V.

Companies INTL: COMPANIES & FINANCE and Markets INTL: COMPANIES

Terms set on Dow's Samurai bond issue

DOW CHEMICAL'S Y20hn yen-denominated 10-year public bond issue was yester-day set will at annual coupon of \$5 per cent and priced at \$5 per cent and priced at \$9.5. Dow is only the second foreign corporation allowed to tap the Samural bond market for funds, following an issue by Sears, Roebuck the U.S. retailer, two years ago.

As was the case with the Sears issue, Japanese under-writers. Used a somewhat different system for pricing the U.S. chemical group's bend than is applied to other Samural bond issues, all of which, except for Sears, have heen for governmental or international organisations

Members of the underwriting group submitted what amounted to bids to the lead manager, Nomura Securities, which took the bids into consideration in negotiating the

NCR, the data processing group, is scheduled in April to became the third private corporation to issue a Samurat bond under the current practice of limiting foreign corporate issues to

Nomura lifts consolidated net earnings

By Our Tokyo Staff

NOMURA SECURITIES and its seven overseas consoli-dated subsidiaries lifted con-solidated annual net carnings by 48.5 per cent to Y50.8bn (\$226m) on consolidated revenues of Y306.8bn (\$1.3bn), up 27.5 per cent in the 12 months to September 30.

The increase in profits reflected vigorous earnings performances on the part of the seven overseas sub-sidiaries.

Nomura's growth of sales and not profits on a consoli-dated basis surpassed those of parent company alone. The the parent company alone. The parent company operating profits were Y106.53bn, up of 44.75bn up 35.5 per cent on inconsolidated revenue of Y285.99bn, up 27.7 per cent on the previous fiscal year.

Increased interim profits at Dai Nippon Printing

Japan's largest printing group, maintained an upward trend in earnings in the six months to November 30,

Dan Nippon's unconsolidated Dat Nippon's unconsolidated half-year aperating profits rose by 8.1 per cent to Y21.79bn while net profits were 5 per cent higher at Y10.56bn (\$46.8m) on sales of Y258.38bn, up by 7.5 per cent Per share profits for the first six months were Y21.37 against Y22.80 were Y21.37, against Y22.89. Commercial printing revenues rose by 10.3 per cent to account

for 44.1 per cent of the total turnover,

DAI NIPPON PRINTING, colour television sets and photo paper and ink stayed at the Japan's largest printing group, masks for integrated circuits previous year's level but the maintained an upward trend in (ICs) and large scale integrated introduction of new printing equipment lifted the cost-to-

The company holds 50 per cent of world market for shadow masks (80 per cent of the domestic market) and shares evenly the domestic In the current half year photo mask market with Toppan further growth is expected in

Printing.

Sales of the general printing division rose by 6.4 per cent of the total and sales of the paperware division rose by 4.8 per cent to account for 36.5 turnover, thanks to brisk of total turnover. per cent, and sales of Y517bn, demand for shadow masks for . The cost of materials such as up 7.4 per cent, are forecast.

sales ratio. This was offset by rationalisation efforts and an improvement in financial belances. In the current half year

Rise in beer sales boosts CUB

BY GRAEME JOHNSON IN SYDNEY

AN INCREASE in beer con- is planned, the new shares will Elders helped push interest sumption and dividend income helped Carlton and United out. -A\$444.9m against A\$358.8m. The interim dividend is to remain at 6 cents a share and, Group. However, holding while a one-for-five bonus issue charges on shares bought in

Breweries (CUB) to almost As well as the increase in is complete CUB win non 20 double its net profit in the six consumption of its products, per cent of the company, and months to the end of December. particularly in New South profits will receive a boost from Half-year net earnings came Wales, where CUB—based in the consolidation of CUB's Half-year net earnings came Wales, where CUB—based in to A\$23.15m. (US\$25.8m), community in the community of A\$6.75m from its stake in the recently merged Elders IXL Group.

not rank for the interim pay- costs from A\$2.2m to A\$11.3m. When the Elders IXL merger

The profit for the half-year came after tax ahead from A\$11.18m to _A\$13.27m and depreciation of A\$6.66m against

Everite building materials group maintains growth

BY JIM JONES IN JOHANNESBURG

EVERITE, THE South African asbestos cement and construction plastics concern which is slon, Everite expects the first-33 per cent-owned by the Swiss-based Eternit group, maintained turnover and dividend growth in the six months to December in the six months to December year.

First-half pre-tax profit was R184m (\$19m) against R16m in the corresponding period of 1980 and R30.9m in the year ended June 30 1981. Turnover was R80.3m while in the preceding year sales were R67.2m at the interim stage and R142.4m for the 12 months.

The company said that while the value of sales increased, the volume was about the same as in the first half of the preceding year. The fibre-concrete division was affected by capacity bottlenecks and volume sales by the plastics division were about

Despite cost increases and lower sales by the plastics divi

An interim dividend of 17 cents has been declared from first half earnings of 51.2 cents a share. Last year the interim dividend was 12 cents and first-half earnings 46.2 cents a share while for the year to June 30 1981, earnings were 91.5 cents a share from which dividends of 50 cents were paid.

In the latest six months Everite completed the sale of its asbestos mining interests to Transvaal Consolidated Land. This resulted in an extraordinary profit of R4.67m and a special dividend of 25 cents was declared in November.

IEL offered compromise on Huttons

By Our Sydney Correspondent

THE SYDNEY Stock Exchange yesterday backed away from a confrontation with Industrial Equity (IEL) the diversified in-dustrial holding company, reluctantly offering a com-promise to settle a protracted dispute over Hyttons the prodispute over Huttons, the processed meat group.

In an effort to protect the interests of minority share-holders, the exchange asked IEL to reduce its shareholding in Huttons by 7 per cent to slightly below 20 per cent.

IEL clashed with the exchange when it bought 27 per cent of Huttons without making a takeover bid. The Sydney Stock Exchange then suspended IEL from trading, as its listing procedures require a company to make a takeover bid once its purchases of another company's shares exceed 20 per cent.



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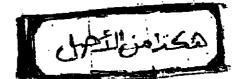
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November 1981



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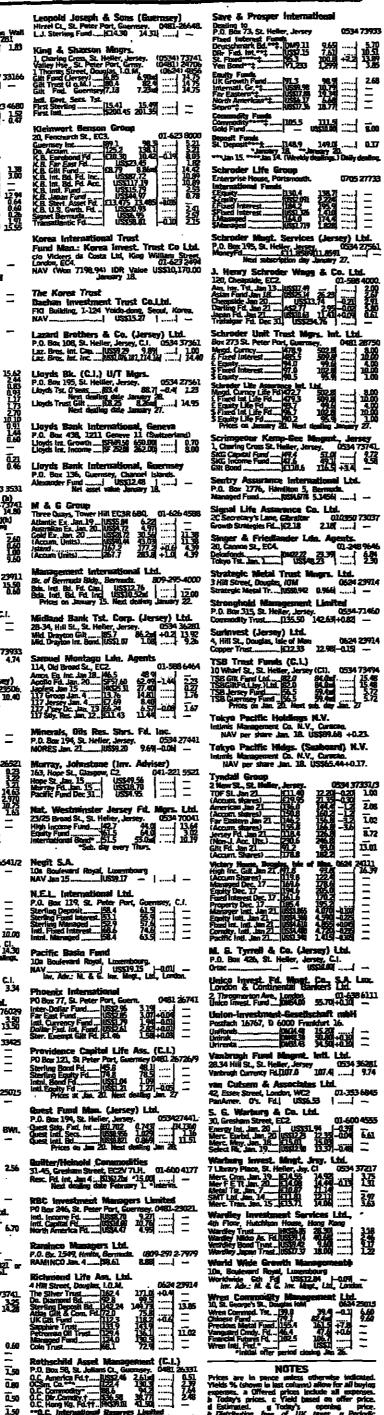
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Brown Shipley 15 %	Trustee Savings Bank 14
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Clydesdale Bank 141% C. E. Coates 15 % Consolidated Credits ... 141%

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المكنا من المجمل

21-day deposits over £1,000 131,%

Gompanies and Harkets CURRENCIES; MONEY and GOLD

\$ and £ easier

Dollar weakened against major Wednesday and 115.8 six mouths Wednesday and 115.8 six months ago. Three-month interbank ago. Three-month interbank speculation that this week's U.S. ago). Annual inflation 6.3 per cent (6.6 per cent previous sharp rise.

from a weakening of the lira.

DOLLAR — Trade weighted index (Bank of England) 168.9 against 109.1 on Wednesday and against 109.1 on Wednesday and 111.9 six months ago. Threemouth Treasury bills 12.52 per cent (15.59 six months ago). Annual inflation rate 9.6 per cent (10.2 per cent previous month)—The dollar fell to DM 2.2975 from DM 2.3080 sgainst the D-mark; to FFr 5.85 from FFr 5.8675 against the French franc; and to SwFr 1.8435 from Wednesday, and 107.4 six months frane; and to SwFr 1.8435 from SwFr 1.8610 in terms of the Swiss franc. It was little changed against the yen however, closing at Y225.60, compared with

index 91.4 against 91.5 at noon, 91.4 in the morning, and 91.4 at the previous close: (91.7 six months ago). Three-month interbank 1411 per cent (14) per cent six months ago). Annual inflation 12 per cent (unchanged from previous month)—Sterling from previous monungers fell against the dollar, following a late selling order in the market. It opened at \$1.8870 the fixing, but sterling rose to the fixing sterling rose to the fixi

index 122.0 against 121.8 on from DM 2.5431.

sharp rise.

Sterling was steady for most of the day, but lost ground near the London close, and continued to decline in New York trading.

Dutch guilder remained firm at the special Lombard rate to 10 per cent from 101 per cent was Dutch guilder remained firm at the top of the European Monetary System, with other members little changed apart from a weakening of the lira.

DOLLAR — Trade-weighted Bundesbank sold \$21.5m when the dullar was fixed at the dollar was fixed at DM 2.3085, compared with DM 2.3040, and later in the day

ber (strongest). Trade-weighted index 114.5 against 114.4 on Wednesday, and 107.4 six months wednesday, and 101.9 51x months ago. Three-month interbank 103 per cent (12 per cent six months ago). Annual inflation 7.2 per cent (7.3 per cent previous month).—The guilder remained the strongest member. STERLING — Trade-weighted remained the strongest member ndex 91.4 against 91.5 at noon, of the EMS yesterday, rising against four currencies and losing ground to two at the Amsterdam fixing. This was before the cut of i per cent to 8 per cent in the Dutch central bank discount rate, which was encouraged by the reduction in the Bundesbank

SwFr 3.51; and the yen to cained ground against four other Y424.50 from Y425. Y424.50 from Y425. EMS currencies, and weakened
D-MARK — EMS member against two at the Paris fixing.
(third weakest). Trade-weighted The D-mark eased to DM 2.5422

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	amounts against ECU January 21	from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	40.7572	41.6425	÷2.17	+1.14	±1.5368
Danish Krone .	7 91117	8.00042	+1.13	+0.10	±1.6412
German D-Mark	2,40939	2,44529	+1.50	+0.47	±1.1077
French Franc	6.17443	6.21984	+0.74	0,29	$\pm 1,3733$
Dutch Guider	2.66382	2.67958	÷0.58	-0.44	+1.5063
Insh Punt	0.684452	0.693060	+1.26	+0.23	÷1.6688
Italian Lira	1300.67	1311.28	÷0.82	+0.56	±4.1229
Change	s are for E	CU. therefore	positive ch	ange denotes	4

Sterling/ECU rate for January 21 0,562228

THE POUND SPOT AND FORWARD

Jan 21	Day's spread	Close	One month		Three	
U.S. Ceneda Nethind. Belgrum- Denmark Ireland W. Ger. Portugal Spain Italy Norway, France. Sweden Japan Austria Switz.	1.8790-1.8940 2.2275-2.2540 4.73-4.78 73.40-74.30 14.13-14.25 1.2250-1.2380 4.31-4.38-1 125.20-126.20 185.25-186.75 2.319-2.337 11.07-11.09 10.99-11.07 10.57-10.55 422-428 30.25-30.55 3.46-3.52	1,890\$-1,8815 2,2391-2,2400 4,731-4,743-73.55 14,73-14,14 1,225-1-2,270 4,32-4,33 1,225-125,55 185,25-185,46 2,3197-2,3217 11,00-17,01 10,577-10,587 424-425 30,27-30,32 3,467-3,477	0.17-0.07c pm 0.05c pm-0.05 17-11c pm 20-40c dis 11-2 tors pm 0.24-0.37p dis 2-11sc dis 12-15 fire dis 12-15 fire dis 12-15 pm	dis 4.11 - 4.19 0.35 - 2.28 - 4.22 - 1.23 - 6.38 - 0.32 - 0.32 - 0.32 - 6.48	0.05 pm-0 0.15-0.30t 51-41 pm 100-120 d 1- pm-1 d 0.80-1.97c 120-400 d 65-55 dis 44-47 dis 25-25 pm 31-41 dis 25-25 pm 31-41 dis 25-25 pm 31-41 pm	1

eigien rate is for convertible trance. Einenciel franc 82.45.82.56, x-month forward deliar 0.65-0.75c dis. 12-month 1.15-7.35c dis.

THE DOLLAR SPOT AND FORWARD

Jan 21	Day's	Close	-Oga month		Three monute	
UKt	1.8790-1.8940		0.17-0.07c pm			2.05dia
irelandt	1,5275-1.5380		0.53-0.43c pm			pm 3.29
Canada	1,1900-1,1935		0.06-0.09c day			dis -0.54
Nethind.	2.5160-2.5290	2.5160-2.5190	.0.81-0.71c pm ·			pm 4.00
Belgium	39.05-39.30	39.05-39.07	8-13c dis			-5,16
Denmark	7.5110-7.5555	7.5125-7.5175	0.05-0.20ors dis			dls -0.26
W. Ger.	2.2930-2.3100	2.2970-2.2980	0.82-0.77pf pm	£15	-2.47-2.42	pm 4.26
Portugal	66.60-86.80	66.80-66.80	25-85c dis	-5.89	70-210 di	a B.39
Spain .	98.50-99.00	98.55-98.60	15-25c dis	-2.43	40-55 dis	-1.93
italy	1,232 - 1,235%	1,2329-1,2339	7's 8 line dis	· -7.42	22124 4	ie -7.64
Norway	5.8560-5.8720	5.8590-5.8620	0.66-0.25 one pm	0.32	1.10-0.70	Den 0.61
France	5.8400-5.8700	5.8475-6.8526	0.57-0.72c dia	-1.32	2.00-2.30	dis := 1.47
Sweden	5.6180-5.6400	5.6200-5.6225	0.70-0,50ore pro	1.28	2.75-2.45	pm - 1.85.
Jacan	224.60-226.25	225.55-225.65			4.40-4.25	pin 7.67
Austna	16.09-16.1872	16.104-15.114				pma . 4.53
Switz.	1.8420-1.8620	1.8430-1.8440	0.97-0.87c pm			pm 5.80

CURRENCY RATES

Jan. 21	England	Morgan Guaranty Changest	Jan. 80 Rank Spenial Prawing X Rights	Currency
Sterling	91.4	-33.8	Sterling 0.51799	5 0.563052
U.S. dollar	. 108.9	+2.2	U.S. S 12 1.14910	1.06107
Canadian dollar	88.9	-16.4	Canadian 5. 14.81 1.37191	
Austrian schilling.		+24.5	Austria Sch. 654 18.5384	17.1368
Selcian france	104.7	∔7.9	Balgian F 14 144.9988	41.6338
Danish kroner	86.3	10.0	Danish Kr. 11 8.54870	
Deutsche mark		+48.7	B mark 714, 2.64822	2,44556
Swiss franc	152.2	+104.1	Guilder 9 (2,90090	2.68027
Guilder	114.5	+19.6	French Fr. 91, 6.72683	5,21894
French franc	80.1	15.0	Lira 19 1417.99	
Ura	55.2	57.7	Yan	258,794
Yen	142.7	+ 36.6	Norwgh, Kr. 9 6.76016	6,23579
	مأم المعادة		Spenish Pts. B 114,032	
Based on trade we	diams em	nges new	Swedish Kr. 21 6,47345	
Washington agreess	HAT DECEM	1067, 1375.	5wiss Fr. 6 2.14530	
Bank of England in 1975≈100).	NOEX (DEE	e saidele	Greek Dr'ch. 2012 —	62.7146
1010 10011		· • • •	. The state of the	, T. J. 1987

OTHER CURRENCIES

Jan. 21	£			Note Rates
Argentina Peso Australia Dollar	18,723-18,7431 1,6945-1,6985	9,990-9,9501- 0,8985-0,8990	Austria	50.30.50.60 82.25-83.26
Brazii Gruzeiro Finland Markka	248,44,249,4 4 8,279.8,298	131,56-132,92 4,4050-4,4074	Denmark	14,17,14,31 11,05,11,13
Greek Drachma Hong Kong Dollar	109,016-112,765 10,938-10,958	5,7950-5,8050	Germany	4.33.4.37 2370.9420 426.431
fran Risi(KD) Kuwait Dinar (KD) Luxembourg Fr	0,532-0,538	0,2833-0,2835	Netherlands	
Malaysia Dollar New Zealand Dir.	4.2670-4.2770 2.3185-2.3155	2,2610-2,2650 1,2300-1,2310	Portugai	124-133 1851-1923
Saudi Arab. Riyal Singapore Dollar.	6,42-6,48 3,8980-3,9080	3,4185-3,420 5 , 2,0655-2,0685	Switzerland	10.59-10.69 3.481: 3.521: 1.88:1.90
Sth. African Rand U.A.E. Dirham	6.90-1,8210 6.90-6,95	8.6715-3.6735	Vinited States Yugosiavia	89-95

of the bid and offered rates for \$10m quoted by the market to five reference banks

Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

at 11 am each working day. The banks are National Wastmit

EXCHANGE CROSS RATES

Jan. 21	PoundSterling	U.S. Dollar	Deutschem'	dispan'seYen	FrenchFranc	Swiss Franc	Dutch Gulid	ItalianLira	Canadia Dollar	Beigian Frank
Pound Sterling	0.552	1.88I	4,325	424.5	11.005	3,470	4.740	2521.	2,240	73,50
U.S. Dollar		1.	2,299	225.7	5.851	1,845	2.520	1234.	1,191	89,07
Dautschemark	0.231 :	8.435	1.	98,15	2,545	0.802	1,096	536.5	0.518	15.99
Japanese Yen 1,000	2.356	4,431	10.19	1000,	25,92	8.174	11,17	5466.	5.275	173.1
French Franc 10	0.909	1,709	3,930	385,7	10.	5.155	4.307	2109.	2,035	66.79
Swiss Franc	0.288	0,542	1,246	122,3	3.171	1.	1.366	668.7	0,645	21.18
Dutch Guilder	0.211	0.397	9,912	89,56	2.322	0.732	2.045	489.6	0.472	15.51
Italian Lira. 1,900	0.45I	0.811	1,864	182,9	4.743	1,495		1000.	0.965	51.67
Canadian Dollar	0.447	0,840	1,931	189,6	4.914	1,549	2.117	1036.	3.047	32.62
Belgian Franc 100	1.361	2,559	5,884	577,6	14.97	4,721	6.449	3157.		100

FT LONDON INTERBANK FIXING (11.00 a.m. JANUARY 21)

the day's total to £578m. The

afternoon's assistance comprised purchases of £2m eligible bank bills in band 1 at 14 per cent, £10m of eligible bank bills in

band 2 at 14 per cent and £46m of eligible bank bills in band 3

at 14 per cent.
In Frankfurt the Bundesbank

ket had remained divided up to the last moment as to whether

6 months U.S. dollars

bid 15 1/4

EURO-CUF	RRENCY	INTEREST	RATES	(Market	closing R	ates)	· ·			
Jan. 21	Sterling	U.S. Dollar	Canadian Dollar	Dutch Gulider	Swiss Franc	West German Mark	French Franc	Italian Lira	Belgian Franc	Japanese Yen
Short term	1454-15 1454-15	135g-135g 135g-137g 1311 1311	13-14 13-14	97g-101g 97g-101g	3-31 ₂ 154-161 ₄	9.91g 91g 95g	1454-1554 1434-1514	18-20 181g-201g	15as-17as 15 19	55g-57g 57g-61g

SDR linked deposits: one month 12½-13½ per cent; three months 12½-13½ per cent; six months 13½-13½ per cent; one year 13½-13½ per cent. ECU linked deposits: one month 13½-13½ per cent; three months 13½-14½ per cent; six months 14½-14½ per cent; one year 15½-15½ pe

MONEY MARKETS

3 months U.S. dollars

bid 149/15 offer 1411/1

Further rates cut

The Bank of England cut its dealing rates for the fourth day running yesterday, buying bills down to 14 per cent compared with a minimum 14½ per cent on Wednesday. Interest rates reflected the fall with three month interbank money slipping to 14½-14½ per cent from 14½-15½ per cent from 14½-15½ per cent and three month CDs to eligible bank bills at 14½ per cent and £7m of eligible bank bills at 14½-14½ per cent and £7m of eligible bank bills at 14½-14½ per cent and £7m of eligible bank bills at 14½-14½ per cent and £7m of eligible bank bills at 14½-14½ per cent and £7m of eligible bank bills at 14½-14½ per cent and £7m of eligible bank bills at 14½-14½ per cent and £7m of eligible bank bills at 14½-14½ per cent. In band 2 (15-33 days) it bought £2m of the bank bills at 14½-15½ per cent. In band 2 (15-33 days) it bought £2m of the bank bills at 14½-15½ per cent. In band 2 (15-33 days) it bought £2m of the bank bills at 14½-15½ per cent. In band 2 (15-33 days) it bought £2m of the bank bills at 14½-15½ per cent. In band 3 (15-33 days) it bought £2m of the bank bills at 14½-15½ per cent. In band 3 (15-33 days) it bought £2m of the bank bills at 14½-15½ per cent. In band 3 (15-33 days) it bought £2m of the bank bills at 14½-15½ per cent. In band 3 (15-45) per cent. In band 3 per cent and three month CDs to 41-142 per cent compared with 141-142 per cent. The one week interbank rate was quoted at 15-154 per cent while longer term rates eased by a quarter of a point from opening levels after the Bank's intervention. Overthe Bank's intervention. Over-night money opened at 15‡-15‡ per cent and rose to 15‡-16 per cent before slipping to 15-151 per cent. Rates touched 151-151 per cent again before noon but then slipped away to finish at 12 per

the special Lombard rate to 10 pez cent from 10.5 per cent. The decision came after the regular fortnightly meeting of the central council and the market had remained divided up to cent.
The Bank of England gave an early estimate of a shortage of £850m but this was soon revised to around £500m. Factors affecting the market included bills maturing in official hands and a net take up of Treasury bills

E290m and Exchequer trans-

actions -1250m.

The Bank gave assistance in the morning totalling £520m, comprising purchases in hand 1 (up to 14 days) of £50m of Treasury bills at 14 per cent and

MONEY RATES NEW YORK GERMANY Special Lambard Overnight rate Three months Six months FRANCE Intervention rate Cell (unconditional) 6.66825 Bill discount (three-month)... 6.59376

GOLD Firmer trend

Gold rose \$4\foat to \$377\foat -378\foat in per ounce), against DM 27,585 the London bullion market yesterday. It closed at the highest level of the day, after opening at \$376-377, compared with \$372\foat -373\foat in Luxembourg the 12\foat kilo bar was fixed at \$375.25 in the morning and \$376.00 in the afternoon.

In Paris the 12\foat kilo gold bar 378, compared with \$371-374. of eligible bank bills at 14 te-14 per cent. In the afternoon further help of £58m brought

was fixed at FFr 69,750 per kilo (\$369.89 per ounce) in the after-noon, compared with FFr 69,750 (\$370.48) in the morning, and FFr 69.950 (\$370.94) Wednesday

In Frankfurt the 121 kilo bar was fixed at DM 27,935 (\$376,98 per ounce), against DM 27,585 (\$372,98) previously, and closed at \$376,377, compared with \$3721,3734.

Jan. 21 Gold Bullion (fine punes) 3784 (2200.1-200.6[427214-3734-76 (£198.7-199.2] \$37114-37214 55 (£198.703) \$371.75 (£199.153) \$371.50 Gold Coint

the authorities would cut the rate. The discount rate was left at 7.5 per cent however. Call money was quoted at 9.25 per cent down from 9.5 per cent. The first indication that there may be a reduction in rates was given last Wednesday week when the last Wednesday week when the

Bundesbank offered rediscount facilities on bills at 10 per cent. At that time the special Lombard rate was 10.5 per cent and call in Amsterdam the Dutch central bank cut its discount rate to 3.5 per cent from 9 per cent following the cut in German rates. money also 10.5 per cent.

COMPON	MURET	MAIE	5			1				"
Jan, 21 1982	Sterling Gertificate of deposit	interbank	Local Authority deposits	Local Auth. hegetiable bonds		Company Deposits	Discount Market Deposits	Treesury	Eligible Seak Blis &	Fine Trads Bills &
overnight	14% 14% 14% 14% 14% 14% 14% 14% 14% 14%	12.16 	1412-1512 1448-1444 1454-15 15 1478 1478	1548-1514 1512-1518 1526-15 1412-1418 15-1448 15-1444	145 ₄	151g-154g 151g-154g 151g-154g 151g-154g 151g-154g	13 144 144 144 144 144	14.14.14 14.14.14	141g 144-141g 14-141g 1856-1836	154

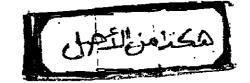
Local authorities and finance houses seven days' notice, others seven days fixed. Long-term local authority morthage rates nominally three years 15% per cent; four years 15% per cent; four years 15% per cent; for prime paper. Suying rates for four-month bank bills 14 per cent; four months trade bills 14% per Cent.

Approximate selling rate for one month Treesury bills 13¹³/₂, per cent. two months 13¹³/₂ per Cent. These months 13¹³/₂ per cent. Approximate selling rate for one month bank halfs 14 per cent two months 13¹³/₂ per cent two months 13¹³/₂ per cent three months 13¹³/₂ per cent two months 13¹³/₂ per cent three months

Finance Houses Base Rates (published by the Finance Houses Association): 10'2 per cent from January Clearing Bank Deposit Rates for sums at seven days' notice 122-127 per cent Clearing Bank Rates for sums at seven days' notice 122-127 per cent. Clearing Bank Rates for sand cent. Treasury Bills: Average tender case of discount 14.5458 per cent.

0

WORID STOCK MARKETS



Companies and Markets	WORLD STOCK	K MARKETS	OT-OT-OT-OT-OT-OT-OT-OT-OT-OT-OT-OT-OT-O
Add print 190	The continue The	RALLY concentrated in Bine sips helped the Wall Street sips helped the Wall Street indicator has sho ket warket yeskerday morning 12 per cent in the pow fones. Indicating the pick up from a lechnically month and a rise street in the power of the power	of 11 per cent the Daried the Daried the Capital the United the Capital the Capita
NEW YORK -DOW JONES 1981-88. Since Cmplift'n 20 19 18 15 14 15 High Low High Low eindustr' is 346,83847,41 856,12 847,50 842,28 888,35 1624,05 824,01 1651,70 41,22 H'me Brids. \$6,25 56,26 56,48 56,68 56,4156,55 (827,8) (11/1/75) (217/62) Transport. \$47,12351.65 355.52 332,83 348,84 546,89 (447,58 156,54 12,55 (18/4/81) (3/7/62) Utilities. 184,18 104,22 184,88 184,18 103,81 103,81 117,91 101,29 185,32 10,5 Trading Vol. ODO-1 48,889,48,970 44,320 45,510 42,340 48,150 — — — — — — — — — — — — — — — — — — —	Jan. Jan. Jan. 1981-82 Reed Rio Al Royal Royal Reed Rio Al Royal Reed R	co Canada. 3012 5012 5012 1016 1016 1017 1016 1016 1017 1016	Borregaard 130 Cheung Kong 20.5 -0.5 Cheung Kong 20.5 Cheung Ko
STANDARD AND POORS Jan.	### 185. 674.0 672.0 686.7 749.6 (5/7) 686.4 (16/2) #### 185.2 65.4 84.7 98.8 (29/8) 78.5 (28/8) #### 185.2 65.4 84.7 98.8 (29/8) 78.5 (28/8) #### 185.2 65.4 84.7 98.8 (29/8) 78.5 (28/8) #### 185.2 65.4 84.7 98.8 (29/8) 78.5 (29/8) #### 185.2 65.5 185.2 185.2 185.2 185.2 185.2 (15/8) #### 185.2 185.2 185.2 185.2 185.2 185.2 185.2 (15/8) #### 185.2 185.2 185.2 185.2 185.2 185.2 (15/8) #### 185.2 185.2 185.2 185.2 185.2 (16/8) #### 186.4 (24/7) #### 185.4 (24/7) #### 185.4 (24/7) #### 185.4 (24/7) #### 185.4 (24/7) #### 185.4 (24/7) #### 185.4 (24/7) #### 185.4 (24/7) #### 185.4 (24/8) ##### 185.4 (24/8) #### 185.4 (24/8) #### 185.4 (24/8) ##### 185.4 (24/8) ##### 185.4 (24/8) ##### 185.4 (24/8) ##### 185.4 (24/8) ##### 185.4 (24/8) ##### 185.4 (24/8) ##### 185.4 (24/8) ##### 185.4 (24/8) ##### 185.4 (24/8) ##### 185.4 (24/8) ###################################	BASF	Sample Free 173

Grandvista in Munich deal Norwich Union picked for

based development and invest- larity. ment group specialising in European property, is to build a £25m office scheme in Munich-A 75 per cent owned subsidiary of Equity and Law Life

Assurance, Grandvista is step-ping up its European development and acquisition programme. The Munich deal is likely to be followed shortly by several others. Michael Slade, managing

director of Grandvista, believes that the location for the new 500,000 sq ft scheme represents one of the few remaining office development sites of any importance in the Munich area. Grandvista has paid about £5m to acquire the land from

Niewe Heimat, the quasi-government body which acts as investment vehicle for trades union funds. The site in question is located in the Neu-Perlach district, which lies just beyond Munich's inner ring and which

has been emerging as one of the City's principal office centres. It is adjacent to the proposed headquarters building for a major German insurance group and close to the area's newly completed covered shopping

The local market currently comprises around 4.5m sq ft of office floorspasce and has been attracting several major insurance companies as well as names like Siemens and Bauer Verlag, the publishers. Good

in boosting the area's popu- ing

Work on the first 150,000 sq ft phase of the new centre, for which planning permission has been given, should begin in the summer and negotiations with prospective tenants are already underway. Zadelhoff Deutschland, in association with John Morgan, and Schauer and Scholl acted for Grandvista in the purchase and are joint sole letting agents.

Michael Slade, who with Equity and Law Life set up Grandvista ten years ago, reckons that although 1981 space take-up in Munich has sagged under the weight of the recession (850,000 sq ft against 1.4m sq ft in 1980) a lack of available new space implies impending increases in rental levels which have shown little movement over the last four

On a wider front, he says he is convinced that the time is now right to make well investments in some major European centres. Conditions for a fresh phase of investment are beginning to look good. Local developers have been bailing out because of high interest rates while construction costs have been down by contractors anvious to pick up work.

"Apart from Neu-Perlach, we expect in 1982 to do about three smaller schemes in West Germany. notably in Dusseldorf communications and growing and Frankfurt. At the same planning difficulties in the city time, we are looking at the centre have been major factors acquisition of some freestand-

The Munich scheme follows closely on the final lettings and sale to Rodamco, the Rotterdam property arm of Robeco, of Grandvista's warehouse com-plex at Eching, north of Munich. Two other estates, at Ratingen, close to Duseldorf, were also sold to Rodamco in a £12m package_ Last November, Grandvista paid about £4m for portfolio of seven shops in Holland.

The developments and acqui sitions proposed for 1982 should mean that, by the end end of this year, the company will have a committed portfolio of around

Hereford development

has finally picked Norwich Union to join it in the £15m redevelopment scheme pro-posed for the city centre. The insurance group was picked from a shortlist which included Grosvenor Estate Developments, Commercial Costain and MEPC.

by Donaldsons.

Westminster revaluation

the property share market at will pay a premium of £425,000 the moment, with rights issues and an annual rent of £48,000. depressing the big end and takeover talk now and again stirring up the tiddlers. West-minster Property is at the excitable end, and showed it in the past week or so with the shares up 22 per cent to 33p times the new agreed rent. against an adjusted net asset value of 27p a share.

Talk is that a revaluation due to he published in less than a formight could indicate 45p a share with the prospect of more

In the meantime, WPG has granted a 96-year lease on the largest (33.590 sq ft) unit in complex in Harlow.

redevelopment, expected to begin in early 1984, will include about 120,000 sq ft gross of retail space, car parking and a new post office. Edward Edrman edvise the City council and Norwich Union is represented

Pension Fund Property
 Unit Trust has paid about

which is equivalent to 50 per cent of the rack rent. In five years, when the rent review has been agreed, the tenant has the option to purchase the balance of the leasehold for 10

That gives WPG cash in hand and an inbuilt growth element in the remainder. The cash element should give it flexibility for its own acquisition plans, which include both investment property and a source of cash flow. For the latter, WPG might bid for an estate agent --- which would be an interesting twist on an old property

£3.7m for the freehold of eight fully let shops in Old Christchurch Road and Gervis

Place, Bournemouth. There is also 30,000 sq ft of vacant office space. Current income is £180,000, showing an immediate return of nearly 4 per cent. PFPUT was represented by Gooch and Wagstaff, Sutton's Commercial and Myddleton and Major Peter Symmons acted for the vendor.

 Miller Buckley Developments has paid about £700,000 for a two-acre freehold site on the Richfield Avenue trading estate. Reading. The land, purchased from Argyll Foods, has planning permission for 36,000 sq ft of warehousing or light industrial space. Campbell Gordon are sole letting agents.

Bedford Row House-to be renamed Television House has been let by Lander Burfield to Link Television. jointly owned by Yorkshire and Tyne Tees Television. clients of Hillier Parker May and Rowden. Asking rent was £285,000 a year and a close figure was achieved for the 20,000 sq ft building.

 The former London headquarters of Carrington Viyella have been let to AES Data (UK) at an annual rent of \$210,000. The property, at 24-27 Great Pulteney St and Bridle Lane, W1, has 27,584 sq ft of floorspace. Hamnett Raffety and Smith Melzack were letting agents.

Tarmac sorts out Birmingham site

OFFICE PROPERTY in the prime central area of Birmingham has traditionally been fairly recession-proof and the number of projects now going ahead or being seriously con-sidered indicates that developers believe the rate of take up over the next few years will not be affected by the area's severe industrial problems.

The long-delayed development of the former Post Office sorting office site in Victoria Square is now going ahead in March, Tarmac Properties aunounced this week, with the construction of a £14m building which will provide 120,000 sq ft of space by autumn 1984. Mr Steve Reeves of Tarmac

believes the market will then be ready for more modern space as the shortcomings of 1960s offices becomes more evident. He also has faith in Birmingham's good demand record over the past eight years.
The freehold of the site has

been acquired by the West Midlands county council superannuztion fund which is financing the development, while Healey and Baker and Alexander Stevens of Birmingham are the letting agents.

Edwards Bigwood and Bewlay, the Birmingham agent, estimate that a total of around 350,000 sq ft of prime space will become available in the city centre over the next three years. while annual take up has historically been around 250,000 The new space includes 80,000 sq ft in Norwich Union's Great Charles St block now under construction, 60,000 sq ft in Ulster Properties' Berwick House and 86,000 sq ft from Espley-Tyas' refurbishment in Edmund St.

However, some developers believe that major industrial companies are still hesitant about refurbished property, and that only new, fully equipped office space is certain to attract attention in the years. ahead.

Geoffrey Anderson, Мr managing director of the Viking Property Group, is optimistic that another longdelayed project, the £20m development of part of the Snow Hill site fronting on to Colemore Row will go shead later this year, since planning consent has now been grapted.

This would put an additional 250,000 sq ft on the market in 1984 if Mr. Anderson's two-year construction time scale is met lis excellent position would almost certainly command a high level of interest and top

Another project which could be on the point of take off is the completion of the Paradise Circus development, although Heron Property insists that its discussions with the council on nearly 200,000 sq ft of offices and a 200-bedroom hotel are at a very early stage.

LORNE BARLING

Capital growth declines

Financial Times Friday January 22 1982

WHILE DOUBTS grow about the relative merits of comm the relative merits of commer-tial property as an investment option for 1982, the Meady decline in returns being achieved from the sector me-underlined in the latest sing-ings of the Wood Mackensie-Richard Ellis performance measurement service. vice—which eschews the indexation approach in favour of aggregation—has 29 participants involving property assets of over £350. About 1,500 individual properties are involved and subscribent

receive performance compari-sons on their own, is well as other investors preperties. According to the new-report which can be said to mirror the performance of real investments rather than of any artificial positions, average restal growth to the year to the end of March, 1861, was saily if ner cent against receive performance C

was only if per cent against 19 per cent of the previous decreased from 21 per cents to 17 per cent, income returns remained state of atomo? remained static at animal 5.
per cent, implying that the
everall drop was making
attributable to reduced capital

growth.

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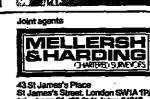
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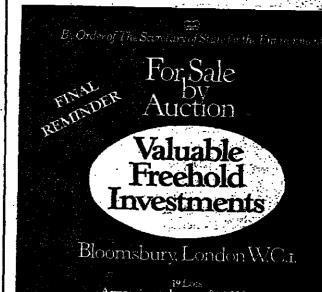
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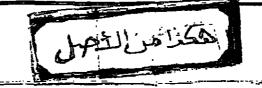
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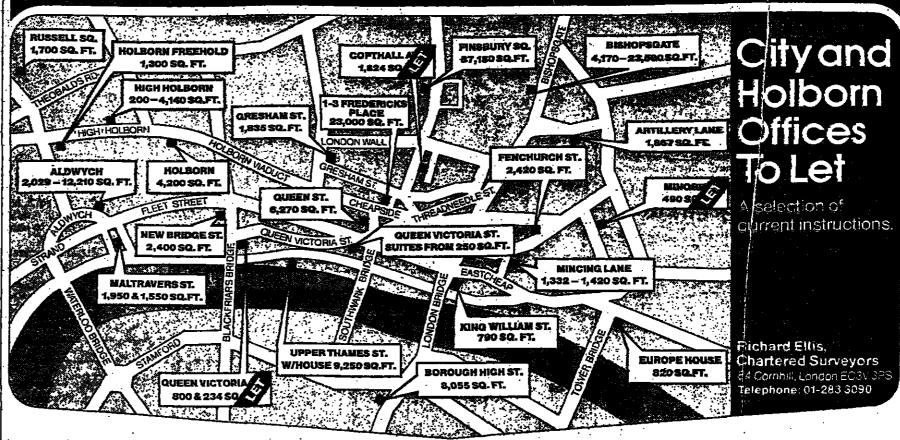
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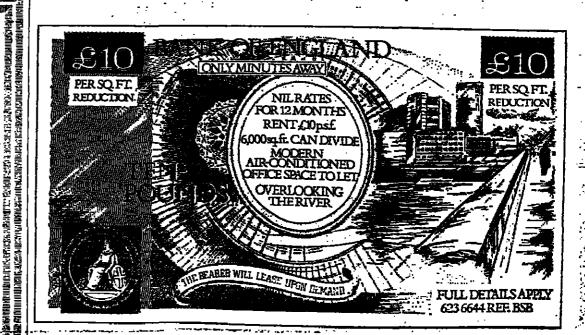
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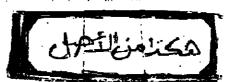
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EATR



Gas oil futures hit record

By Our Commodities Editor

TRADING currover on the London gas of fointes market jumped restends to a record level of 3,296 into (of 100 tonnes each). This easily beat the previous record of 2,672 lots recorded in October.

The market, which was only launched last April has been recording an average surpover.

recording an average turnover recently of around 1,500 lots far above the figure expected to be achieved by this time — but the recent surge in turnover is being achieved in a climate of fathing prices. This is unusual development, since normally turnover is most active in a rising boom marker rather than

during depressed conditions.

The February position on the gas off fusiness market closed \$3.5 down at \$302.25 a home yesterday, after failing by \$8.25 on Wednesday. Traders said sell-ing by commission bouses had triggered bearish chant points resulting in stop-loss sales.

Turnover on the London potato interes Harris elso con-minued at a high level yesterday. Prices of a night per on Wednes-day as a result of fears of cold weather affecting the forthcom-ing crop and furnover rose to 1,562 lots of 40 tonnes each. 1.502 1013 05 40 100mes each.
Yesterday turnover again topped
1.000 lots — at 1.041 lots — in
spike of prices easing shightly on
profit taking. The April futures
position closed £1.80 lower at
£125.50 a tonne, after using by £8.30 the previous day.

Tea pact talks next month

NEW DELHI-Tea producing countries will meet in New Delhi next month to discuss a proposed international Tea Pact down 4m tonnes from last to stabilise prices on world markets, the ladian commerce

ministry said yesterday.

Twenty nations had been invited to the conference from shruary 8 to: 12 to discuss a draft pact that envisaged production quotas and the establishment of a buffer stock to support

The draft was approved by India, Sri Lanka and Kenya, the world's main producers; at a meeting organised by the United and Indonesia. Nations Conference on Trade and Development (UNCTAD) in expected to affect primarily U.S.

Nairobi last September. There has not been an effective international tea agreement since World War Two. Pressure is building for a new pact-because of falling prices and rising production and distribut jection and compared to the

Liquid milk sales fall

BY RICHARD MOONEY

ALES OF liquid milk continued to decline last year with 205m fewer pintas being drunk in England and Wales, according to provisional figures released by the Milk Marketing Board yesterday.

Total sales amounted to 6,280.4m litres, 1.8 per cent down on 1980. The rate of decline slowed down during the year with estimated December sales showing only a 0.45 per cent fall compared with December 1980. But consumers are expected to cut purchases sharply this month following a lep price increase to 20p a pint from January 10.

That was the first price increase for 12 months and sales are likely to repeat the 3 per cent cut which followed the previous increase, which was also 11p a pint.

Total sales of milk off farms in England and Wales during December were 1,020.6m litres, only slightly down from 1.020.8m a year earlier. Liquid sales fell to 531.3m from 533.7m litres while sales for manufacturing from 105e 487.1m litres to 489.3m. Total cent.

sales off farms in 1981 are estimated at 12,265m litres, down from 12,780.7m in 1980. Meanwhile Danish Agricu tural Producers, the UK market ing arm of the Danish farmers co-operatives association, said Danish milk production fell 2 per cent to 4.84m tonnes in 1981. This was, however, a much lower idecrease than had been anticipated. With farmers ex-periencing severe financial difficulties earlier in the year deliveries to dairies had fallen by as much as 5 per cent from

Danish butter production was down 4 per cent to 108,800 tonnes with worldwide exports falling by 15 per cent. Butter exports to the UK fell only 900 tonnes to 38,200 tonnes, however, and shipments of Lurpak actually increased by 7.3 per cent to 36,758 tonnes. This represented nearly 12 per cent of the total British market.

Production of Danish cheese increased by 11 per cent to 243,700 tonnes and exports rose 13 per cent to 183,400 tonnes. The UK market took 21,200 tonnes, an increase of 6 per

World grain trade fall expected

WASHINGTON — World grain trade (including milled rice) in the 1981-82 season (July-June) is now forecast at 218m tonnes, month's forecast, but still 5m tonnes above trade in the 1980-1981 year, the U.S. Agriculture Department said yesterday.

In its world grain situation and outlook report, the department said the reduced world trade prospects result from substantially lower coarse grain import demand in East Europe, the Soviet Union, Mexico and the EEC and lower wheat import demand in Mexico, Brazil

The forecast reductions are wheat and corn exports, World grain production prospects improved during the past month and output is now forecast at 1,497m tonnes, up 6m tomes from the December pro-

1980-81 year, the USDA said. The larger output, particu-larly in the U.S., combined with larger beginning stocks. A reduction in expected use will result in an increase in world grain stocks this summer to 212m tonnes, up from 197 tonnes forecast in December and 178m tonnes a year earlier, the

The department said the developments in Poland have heightened uncertainty both for U.S. exporters and for the USSR and Polish grain purchasers. Heavier Soviet reliance on non-U.S. markets for grain could cause aberrations in

world prices by putting upward pressure on grain prices in some exporting countries while further softening U.S. prices. It said there were no outstanding U.S. grain sales to Poland when the sanctions were imposed, and consequently there has been no immediate effect on grain shipments. 1,432m tonnes produced in the

Tin supply surplus grows

A GROWING world surplus of tin is expected. Production is likely to exceed demand by 12,300 tonnes in the first half of this year, the International Tin Council is forecasting.

Delegates to the ITC meeting in London expect the trend to larger surpluses to continue until industrial demand revives. The world surplus for the year could reach around 25,000 tonnes compared with a 20,000 tonnes surplus last year and an 11,000 tonnes surplus in

The London tin market is technically tight at present with a premium of £700 a tonne for cash tin over the price for the three months position. Cash tin closed at £8,640 a tonne, a rise of £15 yesterday. Three months tin closed at £7,940 a tonne, a fall of £7.50. The market is in a highly artificial state. however, because of the heavy huying over recent months by a persistent and influential source. The new ITC figures indicate the fundamental weak-

ness in demand.
The U.S. General Services
Administration has sold 435 tonnes of surplus stockpiled tin this week at \$7.24 a pound and has now disposed of 8.245 tonnes of tin since July 1980, Producer delegates to the FTC meeting have questioned the U.S. sales during a period of tin surpluses. The U.S. authorities have replied that current price levels show that the market is not being dis-

Call for 16% farm price increase

PARIS - The president of the national federation of French farm unions, M Fraincois Guillaume said the 1982-83 EEC farm price increase should be at least 16 per cent to compensate rench farmers for an estimated fall in gross farm income last year of FFr 9.7bn.

He said last year's rise of an average 9.5 per cent did not compensate farmers for higher production costs. He added it particularly hit producers in countries with bove average EEC inflation rates, such as France, and is a

technical matter which the EEC

Commission should solve.

FARMER'S VIEWPOINT

Milk, milk, everywhere

cent coresponsibility levy. In at most responsible for 15 per addition it is proposed that cent of milk output. In point of some of the proceeds of the levy fact, because they are concen-should be used for direct trated in Italy and Ireland, the

represents the production of about nine mediocre cows, roughly 3,300 litres each. This is around the average produc-tion per cow in Italy and Ireland where the great majority of the smaller herds are situate. In Italy 85 per cent of the herds comprise less than nine cows, and in Ireland some 54 per cent. In Germany just over 50 per cent of the herds are less than nine cows and 43 per cent in France. Britain — surprisingly for a country with the largest herds in the Community --- still has 13 per cent of these small

But the figures for the overall percentage of cows in these sized herds tell a very different story. Italy has 42 per cent of its cows in the up to nine cow category; Germany 20 per cent, France and Ireland 13 per cent and the UK 9 per cent. The proportion of cows in this herd category throughout the whole

British farmers are objecting to and still failing, while the prothe EEC Commission's proposal' portion of dairy farmers inthat dairy farms with annual volved is about 54 per cent. From this it seems that rather of milk should be exempted from having to pay the 21 per the community are constraints. should be used for direct traces and should be used for direct traces amount may be no more traces farmers on a basis not yet defined.

This effectively counters the milk surplus that the milk surplus

argument that the milk surplus in the EEC-ie, the amount that cannot be sold without some form of subsidy—is the result of the unrestrained production of a horde of small farmers flooding the market. Even if all 900,000 of them were put out of business and their cattle slaughtered, there would still be a structural surplus of etween 5 and 10 per cent.

able that a substantial number of the smallest cow keepers sell very little milk but include their house cows in the overall statistics. The main culprit for the milk expansion has been the steady increase in yields per cow in most of the northern countries except for Ireland. Between 1970 and 1980 average yields have risen by 20 per cent per cow and milk delivered to dairies, that is going on the

and community is about 15 per cent than 43 per cent. During this me and still falling, while the prodecade the overall dairy herd has remained constant in num-

> The Commission maintains that the rising yields have been due to the increasing use of compound feeds right through the Community. Excess milk is not really being produced from grass fields of Europe but on the prairies of the U.S. and in the jungles of Thailand, source of much of the manioc.

This is undeniable. Since 1970 the production of cattle compounds has doubled. Consumption was about half a tonne per dairy cow in 1970 and is now just about a tonne per

Some countries feed much more; the Netherlands nearly two tonnes per cow and the UK 1.5, Germany just over a tonne and France well under In any case it is quite probhalf a tonne. French yields are low but with nearly a third of the cows in the Community the possibilities of increasing yield and consequent floods of milk are manifest.

The rise in the overall Community milk output was checked during 1981, but this was probably due to climatic conditions. present signs are that the rise in output has restarted and the fall in the consumption of butter is continuing. The intercommercial market, by no less national dairy market is again

and is very dependent on continuing purchases by the

The Community's option for containing the surplus are limited. An extension of the co-responsibility levy, at present 2.5 per cent, would be unlikely to be effective, even if politically acceptable. Farmers irst reaction to lower prices is to increase production in order to reduce unit costs. There is plenty of scope for increased efficiency in higher yields throughout the Community.

A levy on imported cereal substitutes, particularly pressed by France, would certainly make compounds dearer. But this would cause a lot of harm to the pig and poultry farmers with high grain prices in any case. Why should they be sacrificed on the altar of ever increasing milk production?

The logical alternative, a quota or quantum imposed on a national or even individual basis, has been turned down as being against the whole ethos of the Community and it is claimed, would cause its collapse. Those involved would sooner drown in an uncontrolled flood of milk than submit to any discipline.

John Cherrington

EEC long term export contracts urged

BY LARRY KLINGER IN BRUSSELS

domestic production curbs will be emphasised in the European Commission's forthcoming proposals for 1982-1983 guaranteed farm prices. Mr Poul Dalsager, the Agri-

culture Commissioner, said in Berlin yesterday that the Commission believes that the EEC can boost its exports and that "account must be taken of the need to secure long-term mar-

The Commission's proposals are now expected to be presented next Wednesday what-ever the outcome of Monday's special meeting of EEC Foreign Ministers, who will try again to reach agreement on guide-long-term contracts could lines for reforming the EEC's further encourage EEC overbudgetary and agricultural

Following the Foreign Ministers' failure to agree last week.
There are also fears that relations could be damaged with

SECURING LONG-TERM EEC hold its proposals until after the the world's other big food ex-bring the ratio between prices export markets and instituting Ministers met again. Property such as the U.S. and of cereals and livestock products Speaking at the opening of West Germany's Green Week, the big annual international

agricultural exhibition and symposium. Mr Dalsager said that the Commission believed that the long-term security of markets should be supported by framework agreements.
The Commission, strongly supported by export-oriented France, has for some time been studying the feasibility of securing long-term contracts and

is now obviously convinced that it should go ahead. However, some notably Britain are still not totally convinced, fearing that production and the costly business of subsidising the export

Australia, who have long complained that the scale of EEC subsidies constituted unfair competition.
Indeed, there was a general

feeling emerging from last November's European summit meeting in London that, while the EEC should "consider" long-term contracts, proposals should take account of continuing co-operation with the other big traders to stabilise world

Mr Dalsager emphasised, however, that the Commission was EEC gram prices. Nonetheless, quickly in future to bring about outcome alignment with world prices. Farms specialising in cereal production will be able to live with such a policy, which will exceeded,

more into line with market

On the subject of controlling domestic output levels, the Com-missioner said the proposals would vary from product to product and would not include any system of quotas for individual farms."

Long-term output objectives should specify the products and in sensitive products, however, provisions in each case and would be laid down. "Should Community output exceed these levels," Mr Dalsager said, "producers should then make an appropriate contribution to getting rid of the surpluses.

The Commission is widely exnot proposing a cut in existing pected to propose global output targets for cereals, and possibly cereal prices should rise less for dairy products pending the of the Foreign Ministers' meeting, with proportionate reductions in guaranteed prices if these limits are

BRITISH COMMODITY MARKETS

BADE VILLALD

RUMBORS of buying from the essentition countries boosted the crises of Leed and Zinc on the London Metal Exchange, with the former closing expend the letter at £444.5. Copper was quiet and finelly 886.5. The closed at £360. Aleminium at £816.5 and nickel at £5.000.

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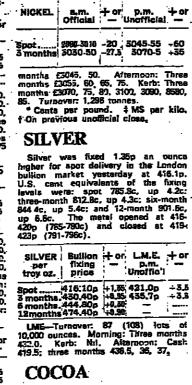
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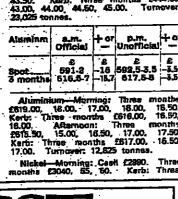
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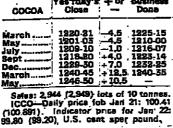
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Silver was fixed 1.35p an ounce
higher for spot delivery in the London
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U.S. cent equivalents of the fixing
igvels wers: spot 785.8c, up 4.2c:
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Tes so up 5 for and 12 mosts 80 for
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420p (765-790c) and closed at 419k
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three-month 812.8c, up 4.3c; six-month 844 4c, up 5.4c; and 12-month 901.5c, up 6.5c. The metal opened at 415-420p (785-790c) and closed at 419-423p (791-796c).

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A breakout from the recent range produced some early activity during a higher opening, reports Drezel Burnham Lambert. Trade selfing restricted the advance and despite a steady New York robustes failed to establish further gents. COFFEE Closs + or Susiness 1143-48 +13.0 1145-37 1158-59 +8.0 -1162-55 1133-34 +5.0 1139-33 1120-22 +1.5 1129-33 1115-18 +1.0 1125-17 1115-16 +2.5 1112-14 +3.5

Seles: 3.329 (3.036) lots of 5 tonnes, ICD Indicator prices for Jenuary 20: (U.S. cents per pound): Comp daily 1379 123.30 (122.83); 15-day average 123.95 (same).

WOOL FUTURES

BRADFORD—Prices rises were mainly confined to 56s and 58s qualities, with British wool tons of these qualities sharply higher following intense competition at the Bradford auction. The market as a whole was quieter then of late and prices were little changed.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order: buyer, seller, bukeness). New Zealand cents per kg. Jan seller 374, nil; March 367, 368, 367; May 375, 379, nil; Aug 388, 381; 390,389; Oct 380, 393, 330; Dec 386, 388, 397; Jan 398, 400, nil; March 406, 412, nil; May 412, 420, 415. Sales: 117, SYONEY GREASY WOOL—Close (in order: buyer, seller, business).

496 5, 496.5-495.0; May 506 0, 508.0, 512.5, 512.9, 513.0-512.0: Oct 510.5, 511.0, untraded: Dec 515.5, 516.0, 515.5: March 520.5, 521.0, to 520.8-520.5: May 525.5, 525.6, 525.5: dock, and prices remained in a nerrow range.

GAS OIL FUTURES Further heavy selling on the opening pushed prices sharply lower, touching off more stops. After bounding back, the market traded nervously around the middle of the range, finding some suport around \$02.00 off the lows. The volume was the highest recorded.

reports Pre			Business
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w crops ck but fi	s opened unchanged. imed during remained fin	Old wi	reat fel amoon.
	ST WAS SOON		

(2,262) lots of 100

:II 1	eports.			
HE/	T ·		B.	RLE
nth	Yesterd'y: cjose	+or	Yesterd'ya close	+ o:
л вг ay	112,30	÷0.15	108,90 112,25	+0.4 +0.4 +0.6

Mar May	109,90 112,30 115,10 119,05	÷(), 16.) . 20;	105,9 108,9 112,2	0 j	+0.4 +0.6 +0.6
827 Nov	107.00 110,65	±:), 10), 18	102.6 105.5	6 .	+0.1 -0.0
103.80, 116.10- 107.60- 167 los 106.90- May 1	Marc 115.80, 106.90, ts of 1 106.55, 12.25-11 trades	h 1 July Nov 00 to Ma 11.80.	12.2; 119.: 110.(npes rch Sep	5-112.6 20-118 30 on 86 108. 1 108	00, 1.95, ly. S Irley: 90-10	Ma Sap Sales Jac 8.50 only

tonnes.

LONDON GRAINS—Wheet: U.S. Dark
Northern Spring No. 2 14 per cent
Feb 119.25, March 119.75 transingment
Fest Coast. U.S. Hard Winter 132per cent mid-Jan/mid-Feb 118.50 transshupment East Coast. English Feed fob
Jan 113. Feb 115, March 118.50 East
Coast. Maize: French Jan 133.50 transhipment East Coast. Safricen Yellow
March 76.50 quoted, Barley: English
Feed fob Jan 112, Feb 113, March
114.50 East Coast. Rest unquoted.
HGCA—Locational ex-farm spot
prices. Other milling wheat: W. Mids.
112.00, N. Weat 111.00. Feed barley:
S. East 107.90, S. West 108.40. The
UK Monetary Coefficient for the week
beginning Monday. January 25, is
axpected to remain unchanged.

RUBBER

The London physical market opened alightly easier, attracted intils interest throughout the day and closed dull, terris and Peat recorded a February fob price for No 1 RS in Kuala Lumpur of 208.0 (209.5) cents a kg and SMR 20 182.5 (183.5).

No. 1 RS.S.	Yest'r'ys close	Previous close	Business Done
Mar Apj-Jne. Jly-Sept Oct-Dec Jen-Mar Api-Jne. Jly-Sept Oct-Dec	50,70-82.00 53,50-55,48 58,50-56,50 58,50-58,60 62,70-58,00 68,70-58,00 58,70-59,00 71,80-72,00	56.70-56.68 60.00-60.20 63.20-63.40 66.16-65.40 63.20-69.40 72.48-72.50	63,50-62,40 68,70-56,00 59,60-69,30- 82,60 85,80
Sales:	274 (76)	ions of 1	5 tonnes,

406. 412. nil; May 412. 420, 415. Sales: 274 (76) fors of 15 tonnes, 5 tonnes 117. SYDNEY GREASY WOOL—Close (in Prograf closing prices (buyers) order: buyer, seller, business), were soot 49 5(p 150 00p); Feb 51.00p (51.75p).

	Yesterdys Close	+ or	Business Done
	£		
February	per tonne		
recruary April	124 90 Z4 D	+ U.25	154,90-54,20
June			155.00-52.70
August	183.70-34.3		
October			-
Dec	156,00-37,0		186,08
Feb.,	134,00-59,0	-0,50	
Sales: 15	9 7721 101	• 01	00 toppes.

SU	GAR			
LOND	ON DAI	LY PRIC	E-Raw	· s
£162.00	(same)	a tonn	e cil J	an-
March	sh pmen	t. Whit	вриз в	r (
	172.CO (£			
	ared sho			
	irom thi			
	With n			
	etling de			μi
ievčis,	reports	C. Czan	IIKOW.	

No. 4 Con- tract		Previous close	Businese done
	•	r tonne	
larch.	174,10-74.30	175,60 -73.70 . {76,80- 76,4 0	174,75-72,25
8ē	:179.50-79.60	179.10-82 .9 0	180,00-78,90
an	184_00-85.25	182,75-82,98 183,50-84,90	i – '
larc 1	188.50-89.60	189,90-90,98 190,00-92,98	185,00-88,50
Sale	2,330	(2,491) (o	ts of 50
onnes.			

LAMON C . IT' I CONTON	Adlac. se	-10010		
May 189,50	∟93,06 <u>:19</u>	0,00-92,9	<u> </u>	
May 189,50 Sales: 2.3	30 (2,	491) (0	ots of	5
tonnes.				
Tate and	Lyle	delivery	buice	fc
granulated	bas:s	whate:	anäyı	W
£374.00 (Barr				
trade and £2	72.CO (9	iame) fo	or except	PF.
internation	al Suge	r Agnee	ment	U.S
cents per	pound)	fob a	nd at	WE
Cambbean p	orts.	Prices f	or Jan	25
Daily price			1); 1:	-ds
everage 12.72	2 (12.74	η.		
COTT	ON			
OOI I	O11			

LIVERPOOL — Spot and shipment sales amounted to 246 tonnes. Operations in the market were rose conducive to an active tumover, and demand broadened in certain direc-Mixer contracts were secured dide Eastern growths, with a land Turkish types pre-

POTATOES

LONDON POTATO FUTURES—Despite strong opening prices, profit-telying eased values, which lad to stop-loss selling. Values strongthened a lutile towards the close, reports Coley and Harper. Closing prices: Feb 99.00, -2.00 (high 102.00, low 98.50): April 125.50, -1.80 (high 129.00, low 924.50); Nov 68.70, +0.20 (high 69.50, low 62.00). Turnover: 1,041 (1.562) lots of 40 tonnes.

PRICE CHANGES in tonnes unless otherwise stated.

	Jan. 21 1982	+ar	Month ago	i
Metals Aluminiu m Free Mkt Copper	S 1 120, 1 158	<u>-</u>	£810/815 \$1125/155	İ
Cash h grade 3 mths Cash Cathode 3 mths Gold . roy oz.	2004.5 \$377.75	-2,75 -2,25 -1,25 +4,75	2865 2891,25 £886,5 £885,5 §401,5	777
Lead Cash 3 mths Nickel Free mkt	2351.5 2361.25 23737.75 255/290c		£3678,69 250/90c	1
Platin'mtr'y oz Freemkt Quicksilveri Silver troy oz ō mths Tin Cash	£192,75 \$400/410 416,10p 430,40=	+ 1,85 + 0,95 + 80	454,55p £8352.5	88
3 mths Tungsten22,01b Wolfrm22,04lbs Zinc Cash	27947.5 \$125,60 \$128/132 2440	+1 +4.5	£8077.5 \$134.48 \$120126 £470.5 £478.75	
3 mths	\$550y	 	\$920/50 \$545 7	3 3
Paim Malayan, Seeds Copra Philip, Soyabaan(U.S.); Grains	\$505x \$350		5452,5 8345 8252,5	1
Barley Fut Mar MalzeWheat Fut Mar No2 HardWint	£133,50 £112,30	+0.15	£107.85 £132,5 £112,50	

commodities				
occa ship't *	£1271 i	5	£1.195	
Future May	£1202	-4.5	£1144,5	
offee Ft' Man	£1158.5 ¦	+8	21134.5	
otton A.Index	70,20e	ньн	67,45c	
es Oil Feb	\$402,25	-3.5	8328,5	
ubber (kilo)	49.5p	-0.5	49p_	
ıgar (Raw) ocit'ps 64s ki.	162yx		£175	
cott ps 64s ki.	375p (LIJO)	-5 :	380pkilo	
‡ Unquoted. sb. † Per 76-4 Nominal, § §	b flack. *	z Feb Ghan	. y Jan- e cocoa.	
	-			

Other

5.00: Cypriot: Navela 3.00-3.50: Jaffa: Navela 80/105 4.00-4.35, Shemouti 60/144 4.90-5.60. Sevilles—Spania: 7.50. Clementines—Spania: 3.00-4.00: Moroccan: 1/6 3.00-4.50. Satsumas—Spania: 3.50-3.80. Lemons—Cypriot: 3.20-5.50: Greek: 5.00-6.00: Turkish: 4.00-5.00: Spania: 40/50 2-40-2.50: Italian: 80/120 5.50. Grapefruit—U.S.: Pink 32/48 5.50-7.00: Cypriot: Large cartons 3.00-4.00. small cartons 2.80-3.40: Jaffa: 38/68 3.50-4.90. Ugli Fruit—Jamaican: 14/27 7.00-9.50. Apples—French: New crop. Golden Delicious 20-ib 3.00-3.60, 40-ib 5.00-7.60. Starkcrimson 40-ib 6.50-7.50. 20-ib 3.40-3.80. Granny Smith 7.50-8.50: Canadian: Red Delicious 9.00-10.00: U.S.: Red Delicious 8.00-13.00: Hungarian: Starkcing 8.80-7.00. Paara—Dutch: Comice Part 20-20-20: Page 20-20: Page 20-2 low 53.00). Turnover: 1,041 (1.002) los of 40 tonnes.

HIDES—Manchester. Second clears:

Ox: 31-35.5 kg, 65.0p a kg (65.0p a kg withdrawn): 28-30.5 kg. 71.5p a kg (70.0p a kg withdrawn): 22-25.5 kg. 70.0p a kg withdrawn): 22-25.5 kg. 73.1 a kg (74.0p a kg withdrawn). Light cows: 5.5 kg. 73.1 a kg (74.0p a kg withdraw

AMERICAN MARKETS

The Investock complex continued its firm to strong time as adverse weather committees. Grains and soyabeans railied on profit-taking and commission house short covering. Heating of dropped sharply as weekly distillate stocks indicated disappointing disappostrance. Sugar was moderately higher on trade buying and kight short covering. Cotton was depressed by rechnical selling pressure while the trade supported the market at lower levels, reported Heinold.

Copper—Jen 71.35 (71.93), Feb 71.45 (72.15), March 72.30-72.59, May 74.20-74.25, July 75.90-76.05, Sept 79.90, Dec 30.55, Jan 81.45, March 83.35, May 75.10, July 86.85, Sept 88.60.

Platiner—Jan 355.5-357.5 (3355.0), April 360.5-384.0, Jan 401.0-402.0, Sales: 1,159.

Potatoes (round whites)—Feb 79.0-86.6-83.0, Nov 77.6-79.7, Sales: 1,159.
377.0 (374.5), March 379.9, April 383.0-384.3, June 391.5-382.5, Aug 401.0, Crt 4105, Dec 419.7, Feb 429.7, April 49.0-47.15, July 20.15, July

145 (2136), July 2154, Sept 2164, Dec 2184, March 2204, Sales: 1,455, Coffee—" C "Contract: March 139.50-139.70 (135.86), May 132.70, 133.25 (129.69), July 130.00, Sept 155.30, Sept 154.50-155.00, March 130.00-125.00, March 120.00-123.00, Sales: 2,397. Cotton—No. 2: March 64.58-64.70 (148.70), July 150.00, Sept 154.50-155.00, March 155.30, July 20. Chicago Imm Gold—March 378.0, Cotton—No. 2: March 64.58-64.70 (148.70), July 20. Chicago Imm Gold—March 378.0, 164.761, May 66.40 (66.52), July 68.00, Get 70.50, Dec 71.45, March 72.70-445.9, Sept 462.1.

Tin-656.00-740 00 (629.00-739.00); CHICAGO, January 21

Sales: 47,000.

15 Narch 793.0-735.5, May 812.0814.0, July 834.0, Sept 851.9, Dec 88.0, Jan 891.3, March 810.9, May 303.5, July 950.1, Sept 897, Handy and Harman bullion spot: 733.00
(788.00).

15 Narch 810.9, May 13.00 (130.20), July 131.80, Oct 132.70, Der 135.00.

16 Sugar-No: 11: March 13.60-13.62 (13.33), May 13.78-13.81 (13.56), July 13.98-14.00, Sept 14.18-14.29, Oct 14.29-14.09, Jan 14.55, March 14.29, May 15.10, Sales: 8,725.

Wednesday's closing prices

NEW YORK, January 20.
11Coccos—March 2154 (2150), May
2145 (2136), July 2154, Sept 2164, Dec
2184, March 2204, Sales: 1,455.
(147.25), May 151 30 (148.70), July
153 70 Sept 154 80 155 80 167 New 155

EUROPEAN MARKETS

ROTTERDAM, January 21

Wheat—(U.S. S per tonne): U.S. No. 2 Dark Hard Winter 13.5 per cent mid-Jan-mid-Feb 168, Feb 163, March 172. U.S. No. 3 Amber Durum spot 208, Jan 20-Feb 20 203, Feb 208, April-May 194, May 194, June 195, July 195, Aug 196, Sept 197, Oct 199, Nov 199, U.S. No. 2 Northern Spring 14 per cent Feb 206, March 207, April-May 187, June, July and Aug 187, Sept 188. Canadian Western Rod Spring Jae 220, April-May 215, Mester (U.S. S per tonne): U.S. Meixe—(U.S. S per tonne): U.S. Maixe—(U.S. S per tonne): U.S. No. 3. Corn Yellow slotal 134, Jan 131.50, Feb 128.75, March 128, April-June 129.50, July-Sept 132.30, Oct-Dec 134-sellers.

Soyabeans—(U.S. S per tonne): U.S. No. 2 Yellow Gullports afloat 261, Feb 263.50, March 262.75, April 262.50, March 262.75, Oct 2077-2095, Nev 2077-2095, Dec 2290-2110, March 2150-263.50, March 262.75, April 262.50, 2150, Salss at ceil: 4.

at call: 1.
Sugar—(FFr per tonne): March 1935-1960, May 2011-2013, July 2020-2055, Aug 2765-2075, Oct 2777-2095, New 2077-2095, Dec 2090-2110, March 2150-2150. Salas at call: 4.

INDICES FINANCIAL TIMES

Jan. 20 Jan. 18 Month ago Year ago 250,20 248,98 247,55 255,98 (Base: July 1, 1952-109).

MOODY'S Jan. 20 Jan. 19 Month ago Year ago 1001.7 996.9 966.1 1202.6

(December 31, 1931-100)

Spot 125,32 125,80 Futr's 133,54 132,96 (Base: December 31, 1974=100) REUTERS

DOW JONES

Jan. 21; Jan. 2016 oth ago Year ago 1614.8 1617.2 1615.9 1682.2

(Base: September 18, 1931-100) haddock £4.29-£5 60. medium £3 60.

26/28-lb 2:50-3:50 26/28-lb 2:00-3:00. GRIMSBY FISH-Supply demand good. Prices at ship's side (unprocessed) per stone: Shelt cod £3.60-£4.00, codings £2.60-£3.60 large

14 40, small £1 80.52.40, large alone £2 60. medium £2 60.52 60, large alone £2 60.52 60, large alone £2 60.52 60, medium £2 60.52 60, medium alone £3 60. 12 60, medium £13.60; rocklish £3 60, as the £2.50.£3.60.

Strong equity market overshadows impressive Gilts which continue to attract heavy investment funds

Account Dealing Dates Option

*First Declara- Last Account Dealings tions Dealings Day
Jan 11 Jan 21 Jan 22 Feb 1
Jan 25 Feb 11 Feb 12 Feb 25 Feb 26 Mar 8

"Water time " dealings may take

Equities surged higher in London stock markets yesterday, showing such strength that a very impressive Gilt-edged market, which continued to attract sizeable quality buying from both domestic and overseas sources, was relatively over-shadowed. Acute stock shortages gave many leading shares a frothy look as "new-time" buying impinged on markets responding to revived instituional demand and fresh interest from smaller investors. The carrot of lower interest rates remained the chief influence on

In Lendon, the authorities yesterday cut intervention rates in money markets for the fourth time this week and, respite shortterm credit shortages, rates eased further in contradition with the current movement in America. News of cheaper credit in Germany strengthened the belief that domestic clearing

Fixed interest...

Industrial Ord...

hours' trade. Double-figure gains were finally common-place and the FT Industrial Ordinary Share at 559.1 this is the biggest rise since November 9. The broaderbased FT-Actuaries All-Shar based FT-Actuaries All-Share

Sizeable investment funds emanating from the UK. Europe and the Middle East were again committed to Gilt-edged securiselling, often representing profittaking which led to several bouts of hesitancy. Higher U.S. Broker loan rates were ignored as the Gilt market continued its readjustment to lower domestic interest rates. After showing renewed uncertainty shortly before the 3.30 pm close, quotations went ahead after-hours and rises in the longer-dated issues finally stretched to 1; in the last four days, many longs have risen nearly three points. Among the shorts, the recently-exhausted tap. Exchequer 14 per cent 1986 moved up ; more to 941; official supplies ran out on Tuesday at

With the active January series having expired on Wednesday, demand for Traded options declined appreciably. Calls completed amounted to 1.461 of which Commercial Union banks might soon reduce base which Commercial Union lending rates.

Blue chips and a host of secondary industrials advanced and 300's recording 143 and 100 and 300's recording 143 an

FINANCIAL TIMES STOCK INDICES

Earnings, Yid. % (full) 9.67. 9.73 9.73 9.95 9.96 10.01 17.56 P/E Ratio (neth*) 13.15 13.11 13.12 12.85 12.80 12.75 6.97

Equity turnover Em. - 140.48 153.33 107.69 100.73 95.59 115.89

10 am 548.1. 11 am 548 8. Noon 550 1. 1 pm 552.1.

2 pm 554 2. 2 cm 555 4. Latest Index 01-246 8026.

Since Compilat'r

Govt. Secs (20:581) (28:1081) (3:105) (5:175) Eargains 235.8 265.2 Fixed Int... 72.01 (61.61 150.4 50.53 Eargains 283.9 309.9 (20:581) (28:10:47) (6:175) Sargains 283.9 309.9 (70:175) Sargains 283.9 (70:1

Low ! High | Low

1/7/35. Gold Mines 12/9/55. SE Activ ty 1974.

HIGHS AND LOWS

Basis 109 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord.

63,93 63,65 163,61 62,96 62,37 62,24 68,94 64,08 63,90 63,68 63,22 62,96 62,88 70,63

559,1, 545,8 545,9 534,7 551,6 527,2 457,1

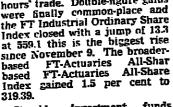
266.2 266.5 271.5 266.8 273.8 265.8 355.0

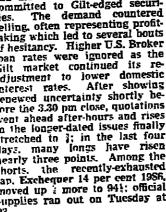
5,44 5,55 5,52 5,65 5,65 5,70 7,86

20,134, 18,500 20,387 19,116 14,886 13,927 19,976

____ 15,341 16,009 14,015 10,912 10,754 15,255

S.E. ACTIVITY





throughout the session and continued to improve in the after-

500 Share Index ET-Actuaries Index

Royal Bank better

A resurgence of speculative buying helped Royal Bank of Scotland to rise 4 afresh to 12Sp, after 130p. Despite a recent Press article stating that a bid for the group seems extremely unlikely. Bank of Scotland unlikely, Bank of Scotland attracted renewed speculative support on rumours of a forth coming announcement and closed 18 to the good at 490p, after 495. The major clearers moved with the general trend and closed with improvements ranging to 10. Gainness Peat fell 8 to 78p on news that Lord Kissin has dropped plans to make a partial.

With the exception of Eaglt Star, which lost 3 more to 331p, after 328p, following Allianz's denial of bid talk, insurances were firm. Bid hopes helped Commercial Union to put on 6 to 134p. while Royals, 346p, and Sun Alliance, 366p, advanced 9 and 12 respectively.

Breweries continued to gain ground in a useful two-way busiss. Bass rose 6 to 209p, while Allied-Lyons hardened a couple pence to 71½p. Arthur Guinness, additionally helped by Press comment, advanced 3 to 73p.

The Building sector was generally firm on interest rate optimism and recovery hopes with the emphasis on Contracting and Barratt Construction issues. Developments gained 8 to a 1981-1982 peak of 234p. Y. J. Lovell put on 10 to 266p and Whatlings 4 to 28p, both after annual trad-ing statements, while new-time buying lifted Wiggins 7 to 97p and Marchwiel 8 to 130p. Arn-cliffe, 34p, and Robert M. Douglas, 78p, added 5 apiece.

Leading Chemicakis mirrored the firm trend, ICI rising 6 to 328p and Fisons 3 to 163p.

Firm Stores

throughout the day and the leaders finished with gains ranging to 10. Gussies A added that much to 475p, while Burton rose 5 to 141p with the Warrants 4 to the good at 55p. Elsewhere, electrical retailers were particu-

VALUE OF

lar god with Currys outstanding

at 190p, up 8. The Electrical majors established fresh gains ranging to 11 following an initial mark-up and ensuing investment demand. Down 5 the previous day on reports of a gloomy investment seminar, Thorn Edil rehounded 11 to 448p, while Racal, recently weak on disappointment with the interim statement, picked up 8 at 393p. GEC gained 7 to 832p. Secondary issues were also well supported with Ferranti responding to revived bid rumours with a fresh gain of 15 at 665p. Speculative support was also forthcoming for MK, which advanced 10 to 260p. In contrast, Louis Newmark dropped 35 to 275p on the 46 per cent contraction in interim earnings and the Board's accompanying

half prospects. Leading Engineers closed with with stock. Tubes rose a to loop and Hawker closed similarly the annual figures and gave up 2 dearer at 330p, while GKN firmed to 182p. Renewed support left Delta up 31p at 501p and IMI 3 firmer at 61p. J. Saville Gordon, reflecting the increased interim reflecting the increased interim delivered and roofs improved 2 annual figures and gave up 2 to 54p.

News International featured Publishers, rising 10 to 115p. Associated Paper rose 5 to 52p following the increased dividend annual figures and gave up 2 to 54p. dividend and profits, improved 2

bearish remarks about second-

Leading Foods encountered a a lively two-way business. Northern attracted good support and gained 6 to 166p, while Tate and Lyle put on 4 for a two-day gain of 10 to a 1981-82 peak of 220p in response to the betterthan-expected preliminary results. Among secondary issues. Glass Glover rose 7 to 114p following good annual results and dividend forecast which accompanied the £590,000 rights

The announcement that the company may sell some of its Estates put on 15 to 148p on the London hotels as part of a Stores attracted steady support rationalisation programme prompted support for Grand Metropolitan which put on 8 to 194p. Trusthouse Forte, at 120p, recovered nearly all of the previous day's fall of 5 on second

and the B 1! points to £15 on hopes that Trusthouse Forte will launch another bid for the company later in the year.

revision by an American broking concern of the group's Canadian profits. Most quotations rallied, however, and British Petroleum pany later in the year.

Turner and Newall good Stimulated again by the buoy-

ancy of the gilt-edged market, miscellaneous industrial leaders advanced smartly and closed at the day's best. A rise of 7 to 102p in Turner and Newall again led to talk of an immiscent dearm. led to talk of an imminent dawn raid, while Reed International added 8 afresh to 372p on renewed buying ahead of thirdquarter figures due on February 2. Investment buying lifted Pilkington 15 further to 300p, while Glaxo, 476p, and Beecham, 238p, gained 10 and 7 respec-tively. Trafalgar House closed 6 better at 107p, sentiment helped by news from the AGM that the Express de-merger plan had been approved. Elsewhere, Pritchard Services advanced 11 to 195p on further consideration of the £4.5m. Wandsworth cleaning contract. Royal Worcester revived with a gain of 12 to 175p and Sidlaw Industries appreciated a similar amount to 255p. ICL were notable, adding 5 to 40p with the nil-paid shares a similar amount up at 16p premium. Awaiting fresh bid developments, Associated Communica-tions Corporation put on 2 afresh to 73p. BET, on the other hand. fell 4 to 142p on the uninspiring interim results.

Motor Components returned to favour an delosed with useful gains across the board. Lucas featured with a rise of 8 to 236p. while Dunlop added 3 to 70p. Hopes that the recent bad weather will boost demand for weather will boost demand for the company's products lifted Kwik-Fit 4 to 57p. after 59. Aero-space Engineering, dealt in the Unlisted Securities Market, touched 155p before settling for a net gain of 6 at 151p following some useful gains, with Vickers prominent at 167p, up 11, in a market none too well supplied with stock. Tubes rose 6 to 134p to profit-taking in the wake of and Hawker closed similarly the annual figures and gave up 2

and more-than-doubled annual

The Property sector, subdued recently by MESPC's fund raising operation, came to life as interest rate optimism revived. MEPC were finally 8 better at 222p, while Land Securities closed 13 up at 300p. Haslemere Estates gained 12 to 376p and Samuel 7 to 104p, while Stock Conversion put on 8 to 330p. Elsewhere, Estates and General jumped 6 to 60p on speculative demand, while Country and New Town added 2 to 48p following the interim results. Greycoat company's successful bid for City

Ultramar above worst

early sentiment in Oils was not belped by a reaction in Ultramar, which fell to 428p before closing 10 down on balance at 435p folthoughts about the preliminary 10 down on balance at 435p fol-results. Savoy A added 2 to 184p lowing reports of a downward

ed a couple of pence firmer at 300p, after 294p, while Shell finished 6 dearer at 380p. Out-side of the leaders, NCC made fresh headway at 112p, up 7, while San (UK) Royalty im-proved another 10 to 180p.

Trusts made headway in sympathy with the general improve ment in equities. London and Provincial moved up 6 to 168p after the previous day's advance of 14 which followed the market raid on behalf of Investment Intelligence.

Trading in Shippings was brisk.
British and Comonwealth advanced 10 more to 358p and
Caledonian Investments closed the same amount dearer at 330p in sympathy.

Golds steady

Golds were fairly steady in line with the renewed firmness in the bullion price, which closed \$4.75 up at \$377.75.

Losses were confirmed to 1, as in Winkelhaak, at £121, and Southvaal, at £141, while gams of a similar amount were recorded in Welkom, £14; Kloof, £13; Free State Geduld, £15; and President Stern, £13; The last two advanced in front of the December quarterly report. Among the lower-priced issues, Ergo gave up 7 to 285p, while Western Holdings gained 11 to

South African Financials were mixed. with Anglovaal the feature after a gain of a full point to \$22. "Amgold" put on to £34%, while Gencor, at 900p and Vogelstruisbult, at 130p both closed 10 to the good, the latter following the results announced on Wednesday.

ported results at the same time as Vogels, gave up 8 to 130p. The antimony-producing Consolidated Murchison lost 20 to 250p despite the recent improved Elsewhere, Northgate Explora-

New Witwatersrand, which re-

tion and Tara Exploration both ended 10 weaker at 210p and 440p respectively. London Financials generally losed a little firmer in line with the rest of the equity market.

OPTIONS

Last Deal- Declara- Settleings ings tion ment
Jan 18 Jan 29 Apr 28 May 10
Feb 1 Feb 12 May 13 May 24
Feb 2 Mar 5 June 3 July 14 For rate indications see end of

Share Information Service Call options were struck in Town and City Properties, ICL, John Foster, FNFC, Tricentrol, Inter-City, Reynolds led, Amalgamated Diversified. Estates, Woodside, Akroyd and Smithers, Martin-Black, Single Endeavour and Cray Electronics. A put was done in P & O Defer red, while doubles were arranged in Cons. Gold Flelds, Royal Bank of Scotland, BP, FNFC and Cray

RECENT ISSUES

-•	·			٠.	EGULIES				
leeus	벌육	 	198	118	Stock	84.0		200	
price p	Pala	250	High			8=		SF 8	534
	F.P.	_	30 98 85	95	Asset Sprist 10p Baillie Gifford In Tst Cussins Prop.20p	185.	+2:	_ _ b4.0 2.1	6.2 6.
82 80	F.P.	13/1	, 200	315 81	¥Eldridge Pope £1_ ¡¥Equipu, 10p	1550 82 8		d3 1 3.	5.4.12.0
150	F.P.	4,1	61 166 53	156	Fledgeling invs	157		10.5	6,9, 6 7,
USP5.9 410	F.P.	=	505 18	260	Newmarket (1981)5 FOwners Abroad 10 Peek Hidge Speyhawk 10p	CROO	1 1	50.5	(
115 46	F.P.	Ξ.	120 5 49	117 31 47	g[Viners *P.,	118		bd2.0°2. b4.51∈3.	
		i -	1	1 :	<u> </u>	1 2 3 3 6 5	.i .l	_ /	<u>- 1</u>

FIXED INTEREST STOCKS

Same Succession	Renuno date	1981/2 High Low	
97.48 221 100 F.P 100 F.P 100 F.P 100 F.F 70 F.F 100 F.F	25/2	100 993 78 64 81 54	Habitat 9/8 Conv. Uns. Lt. 30-2004 Habitat 9/8 Conv. Uns. Lt. 30-2004 Habitat 9/8 Conv. Uns. Lt. 30-2004 Habitat 9/8 Society 15/2 Bds (74/1482) 99 Habitat 9/8 Bds (15/12/82) 90 Habitat 9/8 Bds (15/12/82) 90 Habitat 9/8 Bds (15

"RIGHTS" OFFERS

lesue		Requ	na.	198	1/2	Stock OL	O.
price:	£ 5	date		High	Low		· · ·
712	<u>F.P.</u>	31/12	29/1		71; 155	12 Abwood Mach. 712p B 174 +	4
142 2.5A8	Nit	29/12	29/1	92pm	50pn	om C S R AS1	-3
15 R.2. 25	Nil Nil IGN	ΙΞ	Ξ	25pm	20pm	m Griqualand 5 ots	i i i
180	Nii F.Þ		_	48pm 53	32pπ 48		
25 50 cts	F.P		28/1	. 29 .117pm	26 103pn	mT N.T 50c 121pm	2
50	F.P			} 58	j 52	Wearwell 5p.	

ACTIVE STOCKS

Stock	Closing price perice	Day's change	Stock Day's
Bank of Scotland Commercial Union Delta Group	490 134 50°± 475	+18 + 6 + 34 +10	Inchespa 310 + 7 Lices Inde 236 + 8 Pritchard Services 25 + 11 Royal Bank Scattend 128 + 4
Ampton Areas	160 61	#10 # 3	Tate and Lyle 220 Ft 4 Trusthouses Forte 120 Ft 4

WEDNESDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

BH Prop 14 540 -20 Burmeh Oil 10 1056 4 Eagle Ster 12 334 - Grand Met 10 1865 4 ICI 12 322 Ff 2 Pilkington 10 285 A-15 Tate and Lyle 12 216 H 6 Ryl Bnk Scot 10 124 4 1 De La Rus 11 697 A-12 Shell Trans 10 537 H 2 GEC 11 825 H 5 Unilever 10 637 H 2 RTZ 11 425 BAT Inds 9 389 -

WORLD VALUE OF THE DOLLAR

Bank of America NT & SA. Economics Department, London

The table below gives the rates of exchange for the U.S. dollar against various currencies as of Wadnesday, January 20, 1982. The exchange rates listed are middle rates between buying and selling rates as quoted between benks, unless otherwise indicated. All currencies are quoted in foreign currency units per one U.S. dollar except in certain specified areas. All rates quoted are indicative. They are not based of, and are used as a basis for, particular transactions.

Bank of America NT and SA does not undertake to foreign currencies, and neither Bank of America NT and SA

	CURRENCY	VALUE OF DOLLAR	COUNTRY -	CURRENCY	DOLLAR	COUNTRY	CURRENCY	DOLLAR
COUNTRY		50.08	Guadaloupe	Franc	5,8496	Pitcairn Is	N.Z. Dollar	1,2316 80.00
Afghanistan	Afghan! (O)		Guam,	11.S. \$	1,00			66,60
Albania	Lek	5.351	Guatemala	Quetzal	1,00	Portugal	Escudo	
Algeria	Dinar_ [4,1875 5,8495	Guinea Bissau	Peso	38,2041	Port Timor-	Eschoo	n.a. 1,00
Albania	JFr. France	98.56	Cuince Den	Syli	21,4557	Puerto Rico	U.S. >	
ANGOT FEET	Sp. Peseta	30,214	Guyana	Dollar	2,9642	Qztar	Riyal	3,6397
Angola Antigus Argentina	Kwanza	2,7085		Countr	5.00	Reunion lie de la	Er Erane	5.8495
Antigua	E. Caribbean a	9825.00	Haiti	GOUTES	2.00	Kenniau ile de mm	I au (O)	4.47
Argentina	Paso (T) (4)	0.8985	Honduras Rap	Cempira	5.83	Romania	Empe	92,84
Australia	Dollar	16.1225	Hong Kong	Dollar Besist	35,00	Rwanda	riale	
Argentina	Schuling	66.60	Hungary.	Terror	•			2,7025
Azo/68	Port Escado	1.00	lceland	Krona	8.18	St. Christopher	E. Caribbean +	1.8875
Bahamas Bahrain	Dinar	0.3769			9.1576	St. Helena	Pound	2.7025
Bahrain	On Pecate	98.66	I Indonésia	KUDUN	630.00	st. Plerre	E Caribbean #	5.8495
Balaaric ia	Taka	20,29			79,00	St. Plerre	F Carlabase 5	2,7035
		2.01	Irag	Dinar	0,2999	St. Vincent	Tale	0.9095
Beiglum	Franc (C)	39,14	Irish Rep	Punt	16.08	Samoa (Westerni Samoa (Am.)	116 2	1,00
Beiglum	Franc (F)	43,75			1230.75	San Marino	# lies	1230,75
Belize	Dollar	2.60	ItalyIvory Coast	LIFE STATE	292,475	SELL METING - Investment		
Benin	C.F.A. Franc	292.475	IVOTY COAST	C.F.A. FIBING	1.7834	Seo Tome &		
Barmuda	Dollar	1.00 9.1575	lamelee	. Dellar	224.95	Principe DR	, Dobra	39,2895
Ehutan	Ind. Rupes	24.75	JapanJordan.	. Yen	0.3363	Saudi Arabia	. Rivel	3.4095
Bolivia	Peso	0.8795	Jordan	, Dinar	1 0,000	Senegal	.C.F.A. Franc	292,475 7,2238
Bermuda Belivia Botswana Brazil Brunei	, Pula	131.89	Kampuchaa	Riel	η.a.	Seychelles	, Rupes	1,1869
Brazii	Cruzaire	2.068	Kenya	Shilling	10,3682	Sierra Leone	, Leone	2,062
Brunoi,	Dollar	0.928	Kiribati	. Aust. Dollar	0,8985	SingaporeSolomon Is.	, Dollar	0.8953
Bulgaria,	Kunt	6,4515	Korea (Nth)	. Won	0.94 705,00	Solomon Is.	, Dollar Shilling /6\	6,35
Britingi	France	90,00	Korea (Sth)	. Wen	0,2812	SOWER Kebianin	Shilling (7)	12,46
William		292,475	Kampuchsa Kenya Kiribati Korea (Nth) Korea (Sth) Kuwalt	, Diner	•	South Africa		0,9662
Cameroun Rp	. C.F.A. Franc	298,475 1,1947	Lac P'ple D. Rep	. Kip	10.00	Spain	Pesata.	98.65
		98.66	Lebanon	Pound	4.6932			
Canaly 18	. op. rususs	36,51	LebanonLesotho	. Loti	0.9662	Span. Ports In N. Africa	l Sn. Pesste	98,66
Capa Verde Is Cayman Is Can. Af. Rep Chaid	, Escucio	0.835	I I iherio	_ DOJIAF	1.00	Africa	1 - 1 - 1 - 1 - 1 - 1 - 1	
Cayman 19	CEA Franc	292,475	Libya Liechtenat'n	_ Dinar	1,8544	Sri Lanka Sudan Rep	Rupee	20,65
Con. At. Rep	CEA Franc	292,475	Liechtenst'n	. Sw. Franc	39.14	Sudan Rep	" Long (1)	1.1111 1.785
Chile	Peso (O)	39,00	Luxembourg		•	Surinam	quipaer ! lianceni	0.9162
	Renminbi Yuan	1,7752	Macao Madagascar D. R.	, Pataca	6,0603	Sweden	Krone	5,605
Colombia	Peso (O)	59,47	Madagascar D. R.	. Franc_	292,475 66,60			1.8525
Comores	. C.F.A. Franc	292,475	Madeira	Port. Escudo	0,9155	Syria_,	Pound	3,9262
CongoP'ple.Rep.o	C.F.A. Franc	292,475 8.60	Malawi	. Kwacna	2.2615	1 - 7	Balles (O)	37.91
Costa Rica	Colon (O)	20.03	Malaysia	, Milggit	3.93	Talwan	_ Collar (C)	8,1854
COSPE LIANT	COION	0.8013			584.95	Tanzania Thalland		23,00
Cuba	_ rem	2,2967	Maita	Pound ^a	1 2,5963			292,475
Cyprus	Koruna (Q)	5.80	Martinique	Franc	5,8495	Tonga is Trinidad & Tobas	Pa'anga	0.8986
			Mauritania	_ Ouguiya	48,84	Trinidad & Tobas	o Dollar	3.4063
Denmark	_ Krone	7.5145			10,8536	TurkeyTurks & Caicos	_ Dinar	0.5229
Dlibouti Rp. of	Franc	178,50	Mexico Miquelon	., Peso	26.475 5.8495	Turkey	~ Life _	135,03
		2.7025 1,00	Miquelon	_ Fr. Franc	5.8495	Turks & Calcos	U.S. 3	1,00 0,8985
		24,75			3.3565	Tuvalu	W WARE DOUBLE	1 0.0303
Ecuador Egypt	., Sucre	1.4493	Mongolia Montserrat Morocco Mozambique	Lugrik (U)	2.7025	1	Chilling	78.00
Egypt	Pound* (3)	1.2195	Montserrat	Dirham	5,4093	Uganda Utd. A'b. Emir	Dirham	3.6728
ri e-krader	Colon	2,50	Mozambidua	Metica	29,7748	lied Kingdom	Dirham Pound Sterling* C.F.A. Franc Peso Rouble	1.8875
Ea'th Grines	Ekuele	197,52	I INDEED I LOIG COMME	a a Bood	0.9662	Linner Volta	C.F.A. Franc	292,475
Ethiopia	Birr (O)	2.0397	Namibia	_ S.A. RRING	0,8985	Uruguay	Peso	11.65
Facroe B.	Dan. Krone	7.5145	NAUTU IL	- AUSC. DOILE	13,20	U.S.S.R	Roubie	0,7579
Falkland Is	Pound"	1.8875	Nepel	Guilder	2,519			
FIII	Doliar	0.8823 4,4115	Mentalistics	Guildet	1.80	Vanuatu	VANI	94,6374
Finland	Markke	5,8495	New Zeeland	Dollar	1.2316	I	Aust, Dollar	0,8985
Egypt Ei Salvador Eq'ti Guinea Ethiopia Falkidand is Fili Finland France Fr. G'ty in M'	Franc	292,475			10.00	VaticanVatican	⊍(3. Valisio F	1230.75 4.29
Fr. C'ty in Ar	U.P.A. PIRRE	5,8495	Micor Br	U.F.A. FIZUIG	292.475	Venezucia	portyki	2,18
Fr. Guiana Fr. Pac. Is Sabon	Franc	100,662	Nigeria	Naira (O	0.6547	Vietnam	T 10 8 (A)	1,00
Fr. Pac. Is	C.F.F. FRANC	992,475	Norway	Krone	5,863	Altaju R. pr	V.O. 4	1.00
Gabon	C.F.A. FIRING	2.1192			0.3466	Altaju je n'2:**	V.3. T	
		2.2995	Oman,Sultanate			Yemen PDR	Rial	4,57
Germany (W),	USIMALK (VI	2,2995	Pakistan	Rupee	9.84 1.00	Yemen PDR	Diner	0.5415
Garmany (**),	mair.	2,75	Panama	Baiboa		YUGOSIZVIZ		43,1483
Chana		1.8875	Papua N.G	Kina	0,6926	Zaire Rp.,	Zaire	5.5129
Gibraltar	Lonua .	E0 00	Borostiek	Guarani	126,00	[23] [44		0.0003

a.e. Not available. * U.S. dollars per National Currency unit. (0) Official rate. (C) Commercial rate. (F) Financial rate. (1) Sudan—By decrea on 9/11/81 dual exchange rate abolished and Sudaness Pound devalued by 12½ per cent. (3) Egypt—Floeting rate fixed daily by Central Bank of Egypt for Importers, Exporters, Tourists. (3) Egypt—Floeting rate financial rate combined 30/12/81. (5) Poland—Official rate 80 effective 1/1/82. (4) Argentina—Commercial and Financial rate combined 30/12/81. (5) Poland—Official rate 80 effective 1/1/82. (6) Somali: Perallel exchange rates introduced 1st July—for essential imports. (7) Somali: Exports and Non Essential Imports and Tourist Reports and Non Essential Imports.

LOWS FOR 1981/2

NEW HIGHS AND

NEW HIGHS (71) BRITISH FUNDS (9) Treas. 3rc '85 Excheq. 3rc '84 Treas. 3rc '86 Excheq. 15oc '91

COMMONWEALTH Aust. 517pc '81-82 CHEMICALS (4) Hickson & Welch Hickson Laporte

FLPCTRICALS (10) ENGINEERING (8) Utd. Eng. Weir Group Do. 10pc Cnv. Pl.

INDUSTRIALS (17)

PROPERTY (1) SHIPPING (1) TEXTILES (3) Leeds Dyers TRUSTS (2)

BEERS (1) RUILDINGS (1) dstore ELECTRICALS (2) outs) Utd. Electronic INDUSTRIALS (2) TRUSTS (1) Group Investors
OIL AND GAS (5)
Feerlay NIV Magellan

RISES AND FALLS YESTERDAY

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the lastitute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS	Т	hurs .	Jan 2	1 1982	2	Wed Jan 20	Tue Jan 19	Mos Jan 18	84 15	Year ago (espros.)
& SUB-SECTIONS Figures in parentheses show number of stocks per section		index No.	Day's Change	Est. Earnings Yield % (Max.)	Gress Div. Yield % (AET: at 30%)	Esi. P/E Ratio (Hel)	index No.	tedez No.	index, No.	index No.	Infe
11	CAPITAL G0905 (210)	367.47	+1.6	9.47	4.33	13.12	361.78	368.43	354.14	352.37	2713
2	Building Materials (25)	322.18	+1.6	14.02	5.33	8.15	317.26	3330	397.5%	3339	24.77
3	Contracting, Construction (28)	562.90	+13	1 <u>662</u>	5.02	7.03	955.47	572.62	57.55	543.24	419.04
4	Electricals (30)	1255.97	+1.2	7.32	2.29	17.47	1239.95	1233.E	1289.00	7200.31	50.5
5	Engineering Contractors (9)	533.63	+8.9	13.92	5.51	8.93	500.98	597.75	504.62	192.94 196.47	1414
6	Mechanical Engineering (67)	197.57	+1.5	19.72	5.53	11.88	194.67	15.X	19242	162.28	121
8	Metals and Metal Forming (12)	174.49 191.12	+3.8	7.21	6.98	19.21	143	98.14	95.44	145	245
9 20	Motors (21)	395.57	+2.4	8.61	6.00	14.19	376.59	375.48	72.44 372.44	372.4	200.52
21	CONSUMER STOUP (198)	284.84		12.74	5.83	9.64	279.72	273.24	273.82	271.74	253.51
22	Brewers and Distillers (21)	277.64		16.87	7.02	7.13	271.33	274.34	2572	752 %	25.5
25	Food Manufacturing (21)	281.19	+6.9	14.59	6.08	8.07	278.67	276.45	272.61	276.38	71.7
25	Food Retailing (25)	580.06	+8.5	9.10	3.43	13.30	577.15	57191	51.68	529.57	45%
27	Health and Household Products (7)	377.66	+23	8.28	4.23	14.20	30.25	36.46	351.95	357.84	20).45
29	Leisure (24)	431.33	+24	9.38	5.12	13.42	42113	423.71	434	413.37	337,30
32	Newspapers, Publishing (12)	492.55	+1.1	12.19	6.12	nn	447.37	40.92	479.06	474.55	452
33	Packaging and Paper (13)	341_31		14.37	7.61	8.36	337.97	13831	135.65	1349I	111.77
34	Stores (45)	256.98		111.21	5.26	11.92	251.54	257.00	247.86	26.27	240.57
35	Textiles (23)	162.71		9.77	6.10	13.19	161.66	157.68	157.87	157.5%	124.40
36	Tobaccos (3)	283.71		29.48	9.39	5.63	276.60	275.62	279.11		198.42
39	Other Consumer (24)	266.80		7.22	6.77	22.95	243.67	252.46	2502	27.5	25.5
41	OTHER GROUPS (79)	246.30		20.38	5.55	12.25		20.75	237.55	237.35	201.71 201.71
42	Chemicals (16)	328.33 126.18		5.55	553	22	325.53 119.34	321.78	336.34	331.25 134.97	300.78
44	Office Equipment (4)	568.29		15.21 18.86	7.35 6.50	7.5	22175	560.62	551.46	56.31	51.71
46	Miscellaneous (46)	305.23		11.95	5.38	18.79	38.6	28.8	293.55	202 12	23.0
2	MIDUSTRIAL CROUP (487)	367.85		11 17	1 525	111	327	30.11		25137	24.27
<u> </u>	Oils (13)	703.37		20.24		1 5 55	(7) B	70/52	1	78.5	25.7X
第	500 SHARE INDEX	340.0		12 67	5.69	9.54			23.0	322.17	744
話	FINANCIAL GROUP (118)	253.3		12.67	4.02	1 3-5	29.37	20.4		344.65	
62	Banks(6)	277.90		32.42		3.60	273.00	274.67		267.26	
63	Discount Houses (9)	216.92			10.21		229.83	226.13		217	25.57
65	Insurance (Life) (9)	253.64		1 =	13		23.74	252.42		244.55	239.72
66	ksurance (Composite) (ID)			1 -	3.47	1 -	156		152 48		147.35
67	Insurance Brokers (8)	425.41	7	30.97] <u>12 32</u>		421.55	j40 G		
68	Merchant Bants (12)	148.5		1 -1	5.49	1 ~	141.10	149.22			243.46
69	Property (49)	449.3		4.92		27.17	454.54	65.99			48.9
70	Other Financial (35)	182.2		15.55				179.20		176.12	271.52
7 <u>7</u>	Investment Trusts (111)				3.45		294.69			284.86 218.90	21837
91	Overseas Traders (17)	420.2		15.42				272 M			424.99
	ALL-SHARE (NOEX (750)	-			5.78	1 .3.34				331.22	1
	1 1130, WRINING		7 T&.3	, —	1 3.70	, –	1 252.70	عجميد ا		9.5	
	FIXED INTER			AGE CI	OSS YHLD		Thurs Jan 21	Wed Jan 20	Vear ago (agorts:)		

	FIX	XED 1	INTER	REST				AVERAGE CROSS REDEMPTION YHELDS	Times Jan 21	Wed Jan 20	Year ago (apprix
_	PRICE INDICES	Tiers Jan 21	Day's change %	Wed Jan 20	rd adj. today	nd adj 1982 to date	1 2	British Generated Low 5 years Couper 25 years	12.64 13.81 13.81	12.73 13.89 13.76	11.64 12.34 12.46
1 2 3	British Government Syears S-15 years Quer 15 years Irrelecontities	106.94 103.17 163.53 112.35	+0.36 +0.46 +0.37 +0.49	106.53 109.77 183.15 111.81		1.07 1.23 0.24 0.00	4567890	Neclear 5 park. Coaper 15 park. 25 juin. Righ 5 park. Coaper 15 park. 27 park.	15.95 15.45 15.54 15.54 15.54 15.25 15.20	5.75 15.22 36.96 15.77 15.38 41.26	13.70 13.70 13.70 14.34 14.34 13.55 11.55
6	All Stocks	103.53 80.22	+0.39	163.13 79.51	<u>-</u>	4.36 6.76	1122	Beis & Lynn: 5 years Byeris 25 years	14.55 14.37 14.27	16.69 36.55 16.42	14.52 14.52 14.65
7	Profesents	62.47	+0.03	62.66	-	0.17	14	The state of the second state of the second	75.90	15.46	14.55

FOOD, GROCERIES-Cont.

Price - Mar L'er Gra PRE



Public Board and Ind. | 5714 | Agric, Mt. 5pc '89-89 | 5814 | 2436 | 249.2 | 234 | Met. Wtr. 3pc '8' | 2514 | | 2.62 | 14.36 | 114 | 97 | U.S.M.C. 9pc 1982 | 105 | | 8.57 | 97 | 91 | Do, without Warnts | 96 | +½ | 9.38 | -Financial BRITISH FUNDS "Shorts" (Lives up to Five Years) Shorts' (Lives up

5% Treasury 14pc 82tt.

33.2 Treasury 14pc 82tt.

33.3 Treasury 81pc 82tt.

33.3 Treasury 81pc 82.

33.3 Exch. 82pc 1932.

5% Exch. 82pc 1933.

347. Exch. 82pc 1933.

5% Treasury 12pc 1933tt.

5% Treasury 12pc 1933tt.

5% Treasury 12pc 1933tt.

5% Treasury 12pc 1933tt.

5% Exch. 112pc 193.

32tt. Exch. 12pc 193.

32tt. Exch. 12pc 193.

32tt. Exch. 12pc 193.

32tt. 12pc 193. to Five Years)

993 - 1 14.02 14.11

993 - 1 15.65 13.99

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106, Bow Valley||
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SHARE INFORMATION SERVICE

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SHARE INFORMATION SERVICE

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54 | Aprice Soft D 10p | 70 | 81.85 |

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121 | Ass. Parice. | 146 | 72 | 13.81 |

122 | Banks (Sichey C.) | 137 | 6.25 |

123 | Ass. Fisheries | 72 | -1 | 1.0 |

124 | Banker & D 10 | 77 | 6.25 |

125 | Barve A. G.) | 215 | 25 | 5.87 |

126 | Barve Mill 20s. | 71 | 73 | 74.5 |

127 | Barve Mill 20s. | 77 | 78 |

128 | Banks (Sichey C.) | 143 | 145 |

129 | Banks (Sichey C.) | 157 | 6.25 |

121 | Barve Mill 20s. | 77 | 77 |

121 | Barve Mill 20s. | 77 | 77 |

122 | Barve Mill 20s. | 77 | 77 |

123 | Banks (Sichey C.) | 143 | 145 |

124 | Banks (Sichey Sop. | 140 | 140 |

125 | Bishops Grp. | 160 | 140 |

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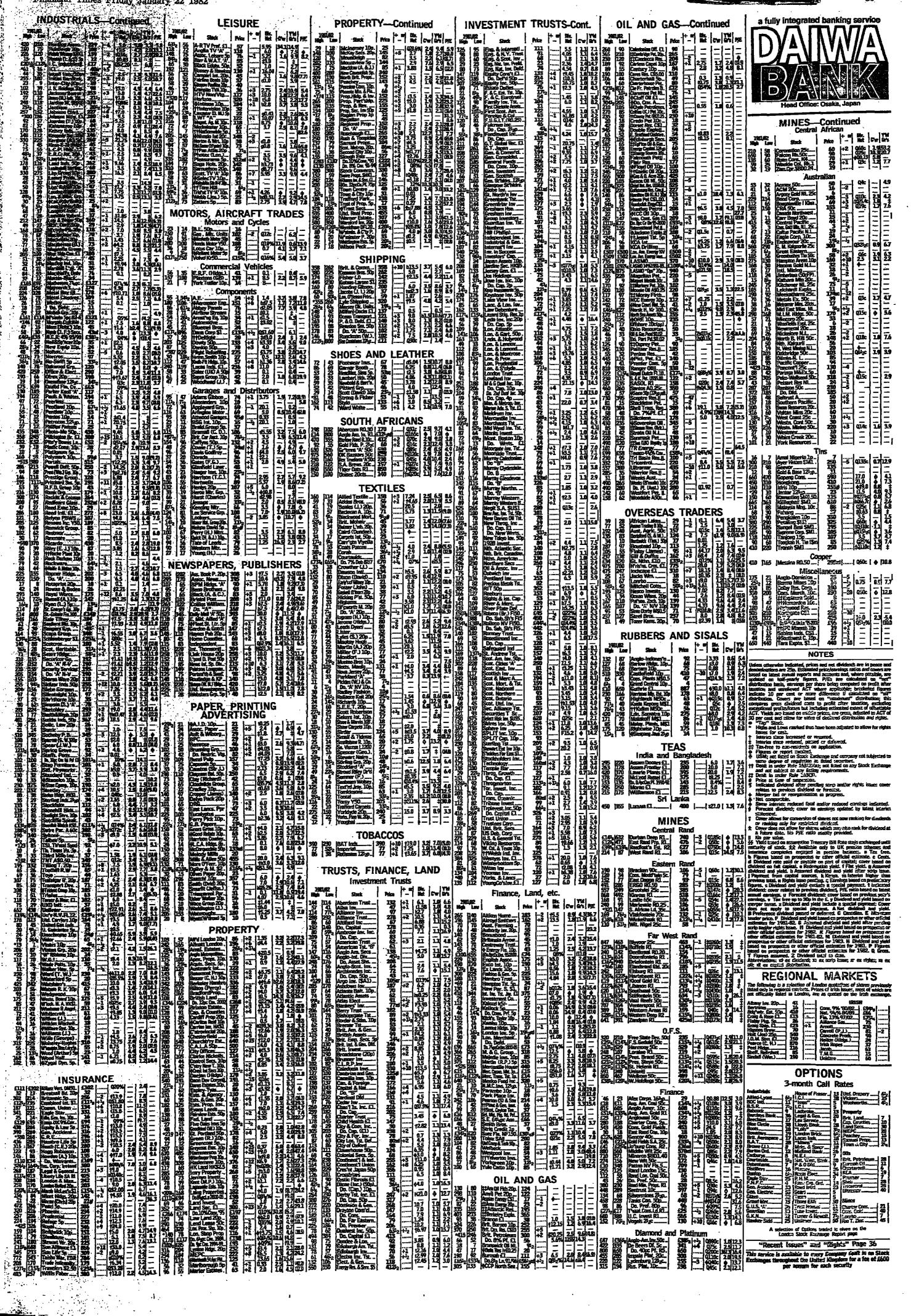
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The hidden cost of a bank mortgage Lend1-The new US tennis master Princess Vicky and the Queen Zuckerman's **Nuclear Illusions** Ski homes in the Alps The rebuilding of New York Beside the English seaside

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FINANCIAL TIMES

Friday January 22 1982

ACAS FAILS TO HAVE RAIL PEACE TALKS RESUMED

Guards' strike threat fades

BY PHILIP BASSETT, LABOUR STAFF

on British Rail threatened for today seemed to have been averted last night as the second averted last night as the second day of this week's official strike for the withdrawal of all new by the train drivers' union ended.

Guards at London's Kings Cross station had been threatening to strike from midnight for 24 hours over the crucial pro-ductivity issue of flexible work rostering. Their local representatives accepted a formula to sentatives accepted a formula to

BR hopes the formula will
avert the stoppage worked out allow it to provide a near by Mr Sid Weighell, general secretary of the National Union

Crewe, Derby, Birmingham and rostering by the Associated the north-west, who have also Society of Locomotive Enwarned of strikes today will gineers and Firemen.

INSCLVENCIES

in England and Wales

Company

set record

By Reg Vaughan

liquidations.

liquidations

THERE WAS a record number

of company liquidations last

year, according to statistics pre-

nared by Eritish Business, a Department of Trade publica-

Liquidations rose 25 per cent

from 6.890 to 8.607. This hap-

pened because of a 47 per cent

jump to 5.828 in voluntary

5 per cent to 2.779 but this

figure is artifically low because

industrial action by civil ser-

vants slowed the collection of

figures. Bankruptcies, plus deeds of arrangement, rose by

1979. Bankruptcies have also

risen over this period, with a

steep increase since early 1980

bringing them to an even higher

deeds of arrangement fell from

about 1,380 in the third quarter

of 1981 to about 1,340 in the

fourth ouarter. Before adjust-

ment the fourth-quarter total

was 17 per cent higher than the

fourth quarter, seasonally adjusted, totalled 2,240—a rise

of about 15 per cent compared

with an average of 1,950 for the second and third quarters.

Compulsory liquidations rose

from about 550 in the third

quarter to 630 in the fourth

quarter but are still abnorm-

ally low because of the after-

effects of the civil servants

fourth quarter of 1981 reached

a record 1,615 compared with

the average of the previous two

quarters of about 1,320 and the

previous peak in the first

Continued from Page 1

stressed that "until inflationary expectations have first been changed, reflation as a spur to higher and lasting employment

is a broken reed."

However, within these constraints Sir Geoffrey may have

some room for manoeuvre on taxation. The Treasury appears

to accept that personal income

tax allowances and thresholds

should rise in line with infla-

tion, and there is some pressure

BY ELINOR GOODMAN

advertising agency which created slogans such as "Labour isn't working" and

"Cheer up, the Tories are coming," is to retain the Con-

servative Party's advertising

Mr Chris Lawson, brought in

decided against asking

from Mars Foods last month as

the party's marketing director.

other agencies to bid for the account and has asked Saatchi and Saatchi to begin work on

a campaign for the May local

The decision partly reflects

the Prime Minister's personal

commitment to Saatchi and

Saatchi, the company which

government elections.

quarter of about 1.580.

Budget

Voluntary liquidations in the

Company liquidations in the

level than in early 1977.

same period of 1980.

Compulsory liquidations fell

UNOFFICIAL industrial action follow suit and work normally. even though no deal has been struck for them.

flexible rosters until they can be issued together: an examina-tion of ways to keep the new rosters close to the normal eight-hour day; and payment of staff who do not turn up for work because of the lateness of the agreement.

normal service today, though there is likely to be still some of Railwaymon.

The NUR was hopeful that ing the end of the two-day guards on Sothern Region. official strike over pay and

Further efforts yesterday by officials of the Advisory, Conciliation and Arbitration Service failed to draw all sides in the dispute with Aslef back into talks. BR and Aslef disagree whether the comprehensive arbitration being offered as a

A meeting is still possible today or tomorrow. Firm moves re unlikely until after a BR Board meeting this morning. which will consider the pro-posal for arbitration or a court of inquiry.

solution is binding or not.

A speedy hearing is being urged, with the possibility of a finding within a week. Two difficulties prevent agreement: the payment of the 3 per cent second stage of last year's two-part 11 per cent pay deal, which War of words, Pay

BR is withholding from Aslef, and the chairmanship of any arbitration or inquiry panel.

Mr Weighell said on Independent Television News yesterday that arbitration was the only way out of the dispute, because it was "tearing this industry apart, and there will be nothing left to fight about if we go on

The Prime Minister yesterday refused to intervene in the dispute. Mrs Margaret Thatcher told the Commons that the railway industry had to be efficient, up-to-date and had to reduce overmanning. She joined Mr David Howell. Transport Secretary, in praising those people who had "grappled" with the

High Court orders new ballot for for European companies with advanced technology to market in Japan. Boilermakers' general secretary

the Boilermakers Society to candidate. hold a new ballot for the post oitter 18-month wrangle between the two final candi-

Mr James Murray, the present general secretary, and Mr Barry Williams, the defeated candidate who brought the High Court action against the union, agreed to a statement commiting them not to campaign or issue any other announcement until after the ballot in April.

The statement said forged papers were returned by "more than one branch" in the first ballot in June 1980 and "there had been serious breaches of rule in the course of the ballot."

The agreement—reached after almost two days of out-of-court hazzling-effectively ends the charges and counter charges of tiating committee of the Con-irregularities in branch voting federation of Shipbuilding and

THE HIGH COURT has ordered which favoured one or other Engineering Unions—a key post

Early in the case, the union of general secretary, after a said it no longer contested wrangle questions raised over ballot tal candi-papers from the Belfast No 1 branch, which had returned 102 votes in Mr Murray's favour. This followed evidence from a handwriting expert,

Under the terms of the settlement, Mr Murray will stand down as general secretary before the election and the union's executive will select one of its number to stand in. This is likely to be decided at its executive meeting on Monday.

Mr Murray will retain his seat on the executive council as the representative of the union's Scottish region.

It is not clear if he will remain on the TUC's General Council, or continue as chairman of the shipbuilding nego-

in the shipbuilding industry. Mr Murray and Mr Williams the union's Merseyside district secretary, are on the right and left respectively of the Labour

movement.

Allegations in the case centre on the Society's complex and time-honoured rule book, the low level of participation in the ballot-only four or five per cent-and the rule that branch secretaries count the votes after the branch has voted.

Under rule, the branch sec retaries must return both the ballot papers and a slip with a record of votes cast: the court was told that this was not complied with in up to one-quarter of the branches,

The case has been costly for the union—yesterday it was ordered to pay Mr Williams' areas for research co-operation, costs-and has sapped its officials' energies in a difficult

China issues first foreign bond in yen

BY RICHARD HANSON IN TOKYO

CHINA INTERNATIONAL The funds raised through the commercial rates, especially Company liquidations began financial institution, signs an to rise sharply in the middle of agreement today with Japanese underwriters to issue China's first foreign currency-denominated overseas bond.

Terms on the privately-placed Y10bn (£23.5m) 12-year Seasonally adjusted the number of bankruptcies and Samurai bond issue were set at an annual coupon rate of 8.7 per cent with a price of par. These were described by the underwriters as "relatively favourable" for a first-time

28 per cent from 4.038 to 5.178. Trust and Investment Corpora- issue will be used to finance when considering financing for Company liquidations began tion, a Chinese Government-run industrial projects in China. The Chinese have been con-

sidering a yen bond issue for a year or more, and a second yen bond, by a provincial government, is being considered for as early as next

Nomura Securities. Daiwa Securities and the Bank of Tokyo have acted as lead managers for the CITI issue.

China has shown itself increasingly willing to borrow at expected."

money growth back under

growth earlier this week, say-

ing it was raising interest rates

by sapping market confidence.

possibility of an increase in the

prime rate, from its present

funding costs subside in the

Alan Friedman adds: The Euro-

dollar bond market saw \$1,2bn

of new paper yesterday as prices of fixed-interest bonds

Dealers stressed that the flurry of new issue activity was

not a result of faliling interest

Tories than did any of its pre-

The party spent £1.5m on

advertising and other forms of promotion such as political

broadcasts in the year leading

to the 1979 election. Since then a shortage of funds has meant it

has been able to spend little

on advertising. It is likely, how-

ever, that the party will spend

at least £1m on preliminaries for the next general election.

Saatchi and Saatchi's aggres-

sive campaign for the party

reputation. The agency, working closely with the Tories' then director of publicity, Mr

days ahead.

gained 1 point.

coupon bonds.

President Ronald Reagan ex-

mercially viable.

Earlier this month the Bank of China raised Y70bn through a Japanese bank syndicate. The 10-year loan carried an interest rate of 0.2 points above Japan's long-term prime rate.

Underwriters said there were no particular difficulties in arranging the private placement bond issue, for CITI, though negotiations with the Chinese "lasted longer than had been

Continued from Page 1

Interest rates fall

point, perhaps early next to tighten its stance to bring In West Germany, the central control bank has been aiming for some weeks to nudge money market pressed concern about this interest rates down to about 10

per cent through market opera-Yesterday's change in the Lombard rate was therefore seen as more as a political gesture than as evidence of any

fundamental change in the Bundesbank's monetary stance. The central bank has come under heavy pressure to demonstrate its willingness to help unemployment after intense discussion in Bonn about a programme to stimu-

late investment. David Lasceles adds from New York: U.S. interest rates have edged upwards again in the last fortnight. The key Fed funds rate on overnight interbank loans was at 13; per cent yesterday, having sunk below 12 per cent earlier this month. Bond yields are also higher.

The blame is being put mainly on the recent strong growth in the U.S. money supply. Wall Street fears this will force the Federal Reserve \$201.7m.

SAATCHI AND SAATCHI, the general election victory. It is Mrs Thatcher and other senior advertising agency which also a signal that the sophisti-

cated approach to marketing first adopted then will be used

by the party in the next general

election. The decision follows a

review of the party's advertising arrangements by Mr Lawson.

Reports that the account might be placed elsewhere triggered a flurry of excitement

in the advertising industry. At

least 23 agencies wrote to Con-servative Central Office offering

decided Saatchi and Saatchi's

close knowledge of the party gave it an advantage. The

played a key role in her 1979 up a closer relationship with graphy.

Saatchi keeps Tory advertising account

In the event Mr Lawson helped create the agency's

agency has worked with the Gordon Reece, brought a new

party for four years and built slickness to political icono-

Continued from Page 1

Miners

1979 they accepted by a majority of 51; per cent a wage offer worth 20 per cent which the union had advised them to reject.

Then, as now, it was internal politicking in the executive rather than an assessment of The pressures in the financial markets have also raised the sponsible for the militant ballot proposition. 15% per cent. Although this would be psychologically and politically damaging, banks may have little choice unless

quarrel Gormley's article and forecasts that the ballot would be lost may have influenced the South Wales miners who voted after the rest of Britain because of the blizzards.

Mr Scargill's own area of Yorkshire backed the executive with 66 per cent, and Scotland, also left-led, registered 63 per cent. But South Wales and Kent, the other bastions of the left, only polled 54 per cent for the executive.

rates in Europe, but was caused by demand in Japan for "zero Mr Michael McGahey, Scottish president, said he was hitterly disappointed. Mr Gormley had "served the Tories this time" and would Of yesterday's new issues about \$800m came as zero coupon bonds; these provided the borrowers with a total of peerage, said Mr

ably adopt a restrained, respons-

ible approach, more suited to the party of government.

their executive. At the end of

UK TODAY places. Some showers.

showers. Max 8C (46F).

Rest of Scotland Cloudy with rain, heavy at times. Some bright periods. times. Some i Max 8C (46F).

Outlook: Dry with sunny intervals becoming cloudy with rain

Algiers 7 1	52	L Ang.t —	_
Amadm, F 4		Luxmbg. R -1	30
Athens \$ 13	55	Luxor	_
Bahrain	_	Madnd F 8	46
Barcina, C 12	54	Majorca C 12	54
Beirut -		Melaga S 16	61
Balfast C 7		Malta C 14	57
Belgrd. C −1	30	Mchstr. S 7	45
Berlin C −6	21	Melbne	_
Biarritz C 13	55		_
Bmghm. F 8	48	Mismit S 16	61
Blackp'l C 7	45		30
Bordx. F 11		Montr'it -	=
Boulgn. 8 7		Moscow S -4	25
Bristol F C	50		14
Brussels Fg 5		Nairobi F 26	79
Budpat C -6	21	Naples S 12	54
Cairo S 19	86	Nwcstl. S 10	50
Cardiff C 9		N Yorkt Sn-4	25
Casbos. C 16	61	Nics F 14	57
Cape T. C 20		Nicosia F 16	61
Chicg.t C -4	25	Oporto C 13	55
Calogne R O	32	Osla Fg-9	16
Cpnhgn. Fg-3	27	Paris —	_
Corlu F 13	55		64
Denvert Sn -7	19		18
Dublin C 9	48		39
Dbrvnk. C 10	50		57
Ednbgh. 5 7	45	Ria J'ot	==
Fare F 15	59	Rome C 10	50
Florence F 8	46	Salzb'rg S -8	18
Franki't Fg-4	25		43
Funchal C 18	64		_
Geneva C 2	36	S'tiagot —	_
Gibritr. S 15	57		19
Glasg'w F 8	46		27
G'maey S 9	48		_
Helsinki C -2	28		59
H. Kong R 17	63	Tel Aviv —	_
innsbrik S 1	34	Tenerife C 19	56
Invites. C 6	43	Trnto.† Sn =16	3
I.o.Man F 8	46		50
Istanbul R 6	43	Tunis C 15	59
Jarsey \$ 8	45		57
Je burg F 23	73		2B
L. Pims. C 19	68	Vienna C -5	23
L, Pims, C 13		Worsey So-4	43

EEC joins Japan in research talks

By Charles Smith in Tokyo and Alan Cane in London

NEW ATTEMPTS to foster the exchange of technology and joint research ventures between the EEC and Japan are being mounted in Tokyo and London. In Tokyo, senior EEC officials are seeking agreement with the Japanese Government this week on a series of specific research

ventures.
In the private sector Mitsubishi Corporation, the Japanese trading company whose European headquarters are in London, has started a search for European companies with

The initiatives take place during continuing tension in EEC-Japan trade relations. A Japanese official said the Tokyo talks were a welcome change from discussing trade conflicts. These official talks are des-

Two Japanese consumer electronics companies, Pioneer and Citizen, plan to set up manufacturing plants in France. It is the first significant move by Japanese industry to invest there since the Socialists were elected to power in France last summer. Page 3.

cribed as exploratory, but are to be followed quickly by expert discussions which may lead to mapping out research objectives by the end of the

The EEC has suggested eight

M Jean-Pierre Conzen, the Commission's Director of Science and Technology Policy said. But there has been no commitment from These areas include nuclear

fusion, solar energy, nuclear waste disposal and the application of remote sensing techniques for pollution control.

The EEC has officially been

in favour of technology ex-change with Japan for at least two years, but the notion of specific research projects gained ground only with the visit to Tokyo last November of Viscount Davignon, the Commissioner for Industry. Mitsubishi is extending a pro

gramme it has run in the U.S. for two years to Europe for marketing patents and knowhow in Japan on behalf of the owner of technology. Its licensing services subsidiary will file patents in Japan

the owner bearing the costs, but taking half of the licensing profits.

Jenkin warns Tokyo, Page 6

Weather

SUNNY intervals in most E. England

Mainly dry with sunny periods. Max 8C (46F).

Rest of England, Wales, N.

Ireland and E. Scotland Sunny intervals with scattered

WORLDWIDE

feet, only ponce of per cent	Afacció C 4 57 Longon	2 2	48
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Mr Michael McGahey, Scot-	Amadm, F 4 39 Luxmbs	j. R – 1	30
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		S 10	
incumbent Prime Minister to			
be surrounded by the gimmickry	Istanbul R 6 43 Tunis	C 15	59
and razzmatazz which was such	Jersey S 8 45 Valencia		
	Je burg F 23 73 Venice		2B
a feature of the 1979 campaign.	L, Pims. C 19 66 Vienne		23
Instead, the party will prob-	Lisbon Fg 1 52 Warsaw	5n-4	3
	-Locamo S 2 36 Zurich	Fg - 5	23
-aniv adopt a restrained respons-			

C—Cloudy. F—Fair. Fg—Fog. R—Rain S—Sunny. Sn—Snow. T—Thunder, † Noon GMT temperatures.

THE LEX COLUMN

DoT licences up for renewal

The financial markets are by now thoroughly hooked on the Bank of England's regressive interest rate policy, and yester-day's lunchtime fix—another eighth of a point off the Bank's dealing rate in very short bills—kept the gilt-edged market in highly pleasurable state. Gilts closed with solid gains, despite further underhand sales of stock by the Government broker, and equities charged up

by 13.3 points on the FT 30-Share Index. Today's Treasury bill tender rate is likely to fall below 14 per cent, and although the case for lower base rates is by no means clear-cut the clearers must be doing their sums very carefully.

Licensed dealers

The tighter controls proposed by the Department of Trade in discussion document on icensed dealers would not of themselves prevent a repetition of disasters à la Norton War-burg. By pointing out the ex-tensive limitations on the Department's authority, the document cries out for a change in the legislation governing securi-ties dealing.

But, within its fairly narrow brief, the Department has at short notice produced a sensible set of proposals to counteract the more conspicuous abuses of clients' funds. Separation of the assets of clients and dealers, regular audits, tighted vetting of licence applicants and the distinction between dealing as principal and agent are all welcome—and in line with the proposals of the licensed dealers'

own association.
Several specific suggestions
may prove very difficult to enforce and the Department is inviting comment on its document. The real danger is that a change in the rules will drive some licensed dealers, happy enough to operate in the present fre and easy environment, alto-gether out of the Department's purview. The area of "invest-

Index rose 13.3 to 559.1

practice remain a law unto itself.

The legislation which may emerge from Professor Gower's study of investor protection will clearly need to stiffen the penalties for abuse, shift the burden of proof so that appli-cants must show they are fit to hold a licence, and clearly define the nature of investment management or, for that matter, of a security.

RTZ/Ward

The pace of RTZ's purchases of Ward shares has accelerated since the offer of 230p a share cum-dividend was declared final, and with only three working days to go until the bid closes RTZ now has 40 per cent of Ward under its belt. It looks to be coasting to victory, but— as the Berisford bid for British Sugar showed last summeronce the loose holders have been shaken out in the market it can be very hard to budge the hard core.

have rightly become unhappy ebout accepting contested bids, especially in cases such as this where there is little or noindustrial logic and where a very large concern is trying to take over a medium-sized com-pany with good recent management performance. But the RTZ bid for Ward does not quite fit the stereotype. For a start, Ward itself apparently intends to renew its contested bid for Tunnel so that turning down one contested bid implicitly means supporting another. The only thing that might stop a bid for Tunnel is the size of Ward shareholding. which is probably this enough to hamper Ward's management considerably.

ment consultancy" may in ment that it could see its way represented.

to recommending a slightly highr bid, and it looks as though the Ward camp realises that if RTZ is stopped at 45 per cent the position will be intolerable all round. There could well be a ast minute attempt by Ward to come to terms at a slightly higher price that could slightly higher pirce that could only work if the presut "final" bid lapsed and the Takeover Panel agreed to allow another offr through quickly on the grounds that it was recommended. Unlikely, but not impossible — institutional share have there have there have the state there are the state the state there are the state there are the state there are the state that the state t holders have even more reason than usual for holding on until the last minute.

The interim profits of British Electric Traction have bobbed around between £25m and £30m during all but one of the last five years, so it was no great surprise yesterday to see the group report a marginal drop in pre-tax profits to £277m for the six months to September. BET has become almost a byword for stodgy perform. ance, in marked contrast to

other industrial holding companies, such as Thomas Tilling. the hard core.

Many institutional investors acquisition. The discreasely have rightly become unhappy cautions BET made as largest about accepting contested bids, major acquisition a decade ago especially in cases such as this and, even with debt emission where there is little or no to no more than one third of industrial logic and where a characteristic force. shareholders' fund, this strategy is most unlikely to change.

The group's performance

the first six months was marred by heavy losses in a Buropean computer venture from which it has since withdrawn. But this has little bearing on a share price which consistently trades at a heavy discount to net worth Yesterday the theres closed to lower at 1429, where the yield of 71 per cent compares with 5.8 per cent on the All-Share. The only that af excitément comes from possible deregulation of cable television, in which BET's sub-Ward hints in its latest docu- sidiary, Rediffusion, is strongy-

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